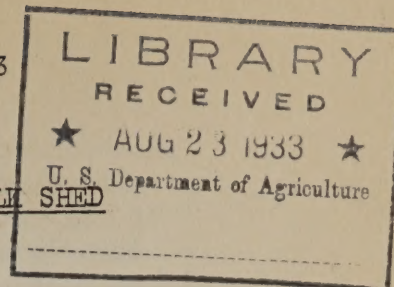


MARKETING AGREEMENT FOR MILK - CHICAGO MILK



Definitions

As used in this agreement, the following words and phrases shall be defined as follows:

- A. "Fluid Milk" means milk, cream, or any other of the articles listed in exhibit C which are sold for consumption in the Chicago Metropolitan Area.
- B. "Contracting producers" means the Pure Milk Association, (a corporation organized under the laws of the State of Illinois,) and such producers and associations of producers of milk sold for consumption as fluid milk in the Chicago Metropolitan Area as may become parties signatory to this agreement according to the terms thereof.
- C. "Contracting distributors" means members of Milk Council, Inc., (a corporation organized under the laws of the State of Illinois), members of the Chicago Milk Dealers Association (a corporation organized under the laws of the State of Illinois) and such other persons who distribute fluid milk for consumption in the Chicago Metropolitan Area as may become parties signatory to this agreement according to the terms thereof.
- D. "Chicago Metropolitan Area" means the territory including the City of Chicago, Illinois, lying within the following boundary lines:

Beginning at the point where the southern limits of the City of Zion joins the shore of Lake Michigan and thence running due west to the western boundary line of Lake County, Illinois, thence south along the said western boundary line of Lake County and said boundary line extended to the point of intersection with the westerly extension of the southerly boundary of Cook County, Illinois (about two miles south of the Village of Lemont); thence east along said extension of said southerly boundary and said southerly boundary to the point where said boundary of Cook County turns south; thence south, continuing along the boundary of Cook County, Illinois to a point where said County boundary turns east; thence east continuing along said boundary line of Cook County about one mile to its intersection with Wolf Road, then south along said Wolf Road and along Illinois State Highway No. 51 to an intersection with the southerly boundary of Will County, Illinois. Thence east along said southern boundary of Will County to the State line between Illinois and Indiana; thence north along said State line to and "east and west" road which is located about two miles south of the village of St. John; thence east along said east and west





road through the town of Crown Point, continuing east to an intersection with Indiana State Highway No. 2; thence due north to an intersection with Indiana State Highway No. 6; thence east along said highway No. 6 to the eastern boundary of Porter County, Indiana; thence north along said eastern boundary of Porter County, Indiana, to the shore of Lake Michigan; thence north westerly in a straight line to the point of beginning.

- E. "Secretary" means the Secretary or Acting Secretary of Agriculture of the United States.
- F. "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.

THE PARTIES to this agreement are the "contracting producers", the "Contracting distributors", and the "Secretary".

WHEREAS, pursuant to the Act, the parties hereto, for the purpose of correcting the conditions now obtaining in the marketing of fluid milk in the Chicago Metropolitan Area, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the Act, and

WHEREAS, Pure Milk Association markets more than 75 percent of the milk distributed and consumed as fluid milk in the Chicago Metropolitan Area and represents that it has corporate power and authority to enter into this agreement, and

WHEREAS, members of Milk Council, Inc., and members of the Chicago Milk Dealers Association distribute more than 75 percent of the fluid milk distributed for consumption as fluid milk in the Chicago Metropolitan Area, which said fluid milk comprises substantially all the milk marketed by the Pure Milk Association as aforesaid, and

WHEREAS, the marketing of milk produced for distribution as fluid milk in the Chicago Metropolitan Area and distribution of said fluid milk affect and enter into both the current of interstate commerce and the current of intrastate commerce, which are inextricably intermingled.

NOW THEREFORE, the parties hereto agree as follows:

1. The schedule governing the prices, at which and the terms and conditions under which milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk, shall be that set forth in Exhibit "A" which is attached hereto and made a part hereof. Such schedule may be changed by agreement between the contracting producers and the contracting distributors, provided, however, that such changes shall become effective only upon the written approval of the Secretary.





Payments to Milk Foundation, Inc., a non-profit corporation organized and existing under the laws of the State of Illinois, made pursuant to paragraph 4 hereof and like payments to Pure Milk Association made pursuant to membership agreements, shall respectively, be deemed part of the price paid to producers.

2. The plan governing the marketing of milk shall be that set forth in Exhibit "D" which is attached hereto and made a part hereof. Such plan may be modified by agreement between the contracting producers and the contracting distributors provided, however, that such modified plan shall become effective only upon the written approval of the Secretary.

3. The schedule governing the prices at which and the terms and conditions under which fluid milk shall be distributed and sold by the contracting distributors shall be those defined and set forth in Exhibit "C" which is attached hereto and made a part hereof. Such schedule may be changed by agreement between the contracting producers and the contracting distributors, provided, however, that any such changes shall become effective only upon the written approval of the Secretary.

4. The contracting distributors agree that they will not purchase milk from any producer not a member of the Pure Milk Association unless such producer authorizes the purchasing contracting distributor to pay over to the said Milk Foundation, Inc., the same amount per hundred pounds of milk purchased which the members of the Pure Milk Association are then authorizing the contracting distributors to pay over to the Pure Milk Association on behalf of its members; and said purchasing contracting distributor shall simultaneously with making payment to the producer for milk purchased, make payment as aforesaid to said Milk Foundation, Inc. The sums so paid shall be kept as a separate fund by said Milk Foundation, Inc. for the purpose of securing to





said producers not members of the Pure Association advertising, educational, credit loss and other benefits similar to those which are secured by the members of the Pure Milk Association by virtue of their like payments to said Pure Milk Association. The contracting producers and contracting distributors undertake that Milk Foundation, Inc., shall disburse such funds for the purposes herein above provided, and that said Milk Foundation, Inc., shall keep separate books and records in form satisfactory to the Secretary pertaining to such funds, which said books and records of Milk Foundation, Inc., shall be subject to the examination of the Secretary or his duly designated agent during the usual hours of business, and that the Milk Foundation, Inc., shall from time to time furnish to the Secretary such information as the Secretary may require.

5. All contracting producers, not members of the Pure Milk Association, shall be permitted, as far as marketing conditions may allow, to become members of the Pure Milk Association on an equal basis with existing members similarly circumstanced.

6. The contracting producers and the contracting distributors shall severally maintain systems of accounting which shall accurately reflect the true account and condition of their respective businesses. Their respective books and records shall, during usual hours of business, be subject to the examination of the Secretary (or his duly authorized representative) to assist him in the furtherance of his duties with respect to this agreement, including verification by the Secretary of the information furnished on the forms hereinafter referred to. The contracting producers and the contracting distributors shall severally, from time to time, furnish information to the Secretary on and in accordance with forms to be supplied by him.





All information obtained by or furnished to the Secretary pursuant to this paragraph shall remain the confidential information of the Secretary, and shall not be disclosed by him except upon lawful demand made by the President, by either House of the Congress or any Committee thereof, or by any court. The Secretary, however, may combine the information obtained from producers and/or distributors in the form of general statistical studies or data. The Secretary hereby agrees to issue rules and regulations and prescribe penalties to be imposed in the event of any violation of the confidences or trust imposed hereby.

7. The standards governing the production, receiving, transportation, processing, and distribution of fluid milk shall be those established pursuant to or in accordance with the health ordinances of the City of Chicago, except in those areas where the health ordinances of any other municipality are in full force and effect.

8. The Code of Fair Practices, set forth in Exhibit D, which is attached hereto and made a part hereof, shall be the Code of Fair Practices for the Chicago Metropolitan Area. Exhibit D may be changed by agreement between the contracting distributors provided, however, that any change shall become effective only upon the written approval of the Secretary.

9. This agreement shall be effective at such time as the Secretary may declare above his signature attached hereto; and this agreement shall continue in force until the last day of the month following the aforesaid effective date and thereafter from month to month, except that - - -

(a) The Secretary may (and upon request of 75 percent of the contracting producers, or upon request of 75 percent of the contracting distributors, such percentages to be measured by the volume of milk marketed or fluid milk distributed, respectively, the Secretary shall) by press





release or other notice as the Secretary may determine, given on or before the 20th day of any month, terminate this agreement as of the end of such month.

(b) The Secretary may for good cause shown as of the end of any month terminate this agreement as to any party signatory hereto by notice in writing deposited on or before the 20th of such month in the registered mails and addressed to such party at the address of such party on file with the Secretary.

(c) This agreement shall in any event terminate whenever the President or Congress shall terminate the provisions of the Act which authorizes this agreement.

10. The benefits, privileges, and immunities conferred by virtue of this agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges and immunities conferred by virtue of this agreement upon any party signatory hereto shall cease upon its termination as to such party, except with respect to acts done prior thereto.

11. The contracting producers and contracting distributors shall use their best efforts to assure the observance of the terms and conditions of this agreement by such producers and distributors. Subject to such regulations as the Secretary may prescribe, the contracting producers and the contracting distributors shall establish such agency or agencies as are necessary to (a) receive complaints as to violations by any contracting producer or contracting distributor of the terms or conditions of this agreement, (b) adjust disputes arising under this agreement between contracting producers and/or contracting distributors, (c) make findings of fact which may be published, (d) issue warnings to such persons, and (e) take such lawful





measures as may be appropriate; and such agency or agencies if it or they deem it necessary, shall report its findings and action with respect thereto to the Secretary for appropriate proceedings under the Act.

12. This agreement may be executed in multiple counterparts which, when signed by the Secretary, shall constitute, taken together, one and the same instrument as if all such signatures were contained in one original.

13. After this agreement first takes effect any producer or association of producers of milk for consumption as fluid milk, or any distributor of fluid milk, may become a party to this agreement if a counterpart thereof is executed by him and by the Secretary. The agreement shall take effect as to such producer or distributor at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such producer or distributor.

14. The contracting distributors herewith apply for and consent to licensing under the Chicago Milk Shed License to be issued by the Secretary and subject to Milk Regulations, Series 1, presented by the Secretary and approved by the President; and the contracting producers and contracting distributors agree that in case of differences between the provisions of Exhibit A or B of this agreement and the terms and conditions of said license upon the same subject matter, the terms and conditions of the license shall govern the interpretation of the provisions of said Exhibits.





measures as may be appropriate; and such agency or agencies if it or they deem it necessary, shall report its findings and action with respect thereto to the Secretary for appropriate proceedings under the Act.

12. This agreement may be executed in multiple counterparts which, when signed by the Secretary, shall constitute, taken together, one and the same instrument as if all such signatures were contained in one original.

13. After this agreement first takes effect any producer or association of producers of milk for consumption as fluid milk, or any distributor of fluid milk, may become a party to this agreement if a counterpart thereof is executed by him and by the Secretary. The agreement shall take effect as to such producer or distributor at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such producer or distributor.





IN WITNESS WHEREOF, the contracting producers and the contracting distributors acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.





WHEREAS, It is provided by Section 8 of the Agricultural Adjustment Act as follows:

"Sec. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power --

"(2) To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this Act.

WHEREAS, Due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of said Act and the Regulations issued thereunder, and

WHEREAS, It appears, after due consideration, that this is a marketing agreement between the Secretary and persons engaged in the handling of milk and its products within the meaning of said section in the current of interstate commerce, and effectuates the declared policy of the Agricultural Adjustment Act.

NOW THEREFORE, The Secretary of Agriculture acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations therein contained, and not otherwise, does hereby execute this agreement under his hand and the official seal of the Department of Agriculture in the City of Washington, District of Columbia on this \_\_\_\_\_ day of July, 1933.

Pursuant to the provisions hereof, I declare this agreement to be effective on and after 12:01 p.m. Eastern Standard time, \_\_\_\_\_, 1933.

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Secretary of Agriculture





EXHIBIT "A"

Production Prices of "Fluid Milk"

Prices paid to producers shall be determined with reference to the "rules for Control of Basic Production" (set forth in Exhibit "B" to this agreement) which set up definite quantities of milk known as "bases." In addition thereto there shall be three classes of milk. Class 1 is an amount equal to 90 percent of the "bases" of all producers. Class 2 shall be an amount equal to 10 percent of said "bases." Class 3 shall be the additional milk which may be delivered to "contracting distributors."

The price of Class 1 milk shall be: \$1.75 per cwt. for milk of 3.5 percent butterfat content subject to a butterfat differential of 4¢ per one-tenth of one percent of butterfat content below or above 3.5 percent. The price of Class 2 milk shall be: three and one-half times the monthly average price in the Chicago market of 92 score creamery butter sold at wholesale plus 20 percent of the result, adjusted by the aforesaid butterfat content differential. The price of Class 3 milk shall be: Three and one-half times the monthly average price in the Chicago market of 92 score creamery butter sold at wholesale adjusted by the aforesaid butterfat differential, plus 3¢ per cwt. of such milk. All prices are f.o.b. country plants, platforms, or loading stations, with, in the case of Class 1 prices, a deduction of 1¢ per cwt. for each 10 miles or part thereof in excess of 70 miles up to 100 miles from the City Hall of the City of Chicago, and a further 1¢ per cwt. deduction for each 15 miles or part thereof in excess of 100 miles from the City Hall of Chicago.

Cream for the purposes of this schedule shall be all of Class 1 milk not actually sold for consumption as milk, all of Class 2 milk and such amounts of Class 3 milk as may be sold as cream; and the prices thereof shall be the same as those quoted for Class 1 and Class 2 and Class 3 milk.

The "contracting distributors" severally agree to purchase daily a quantity of Class 1 milk computed as follows: For each wagon or truck route operated during the years 1929 and 1930 and for each wagon or truck route added thereafter by each "contracting distributor";

a. 382 1/2 lbs. per each retail wagon or truck route

b. 1050 lbs. per each wholesale wagon or truck route

And in addition 10 percent of the total of such amounts.

All milk delivered in any month shall be paid for not later than the 15th of the following month.





EXHIBIT "B"

Rules for Control of Basic Production.

For the purposes of this agreement the term "base" as used in respect to any producer, farm or herd, as the case may be, shall be:

(a) In the case of members of Pure Milk Association, the quantity of milk recorded as such base in the files of Pure Milk Association.

(b) In the case of producers who sell milk within the Chicago Metropolitan Area and have had no base established by Pure Milk Association, a base shall be allotted by an agency approved by the Secretary and bases allotted by such agency shall be equitable as compared with the bases established by Pure Milk Association for all other producers delivering milk in the same Pure Milk Association district.

(c) Producers not now selling milk within the Chicago Metropolitan Area will be allotted bases (1) in the case of new members of Pure Milk Association by Pure Milk Association and (2) in the case of non-members of Pure Milk Association by an agency appointed by the Secretary, as follows: The base shall be established during the the first 90 days in which they produce and market milk within the Chicago Metropolitan Area and shall be equal to 60 percent of their average daily production during such 90 days.

1. Producers, who are tenants, renting farms may retain their respective "bases".

2. Producers who rent farms for cash, which farms have no "base", will be entitled only to their own respective "bases". Landowners who rent on shares will be entitled to the entire "base" of farms so rented if the landowners own the entire herds on such farms. Where cattle are owned jointly the "base" will be divided according to the ownership of the cattle.

3. The established "bases" of any landlord and his tenant or tenants may be combined.

4. A "base" may be transferred with an entire herd where sale and transfer is made to one party at one transaction, provided such herd shall be maintained for six (6) months consecutively thereafter on the first farm on which such herd shall be established after such transaction.

5. "Bases" may be retained by producers only when milk is produced on farms that have supplies the market for "fluid milk" for consumption purposes in the Chicago Metropolitan Area within the past year



or from farms that lie within a territory regularly supplying said market.

6. Where a herd is dispersed for any reason within a transfer of its "base", the herd must be replaced within forty-five (45) days if such "base" is to be retained by the producer.

7. Producers may combine all "bases" to which they may be entitled hereunder.

8. Any producer who shall voluntarily remain off the market for a period of more than forty-five (45) days shall upon resuming production be treated for the purposes hereof as a new producer.

9. Producers whose average daily production for any three (3) consecutive months is less than seventy percent (70 percent) of their "base" sold at Class 1 prices, will thereby establish a new "base" equal to such average daily production.





EXHIBIT "C"

PRICE SCHEDULE FOR CONTRACTING DISTRIBUTOR'S SALES

(a) Sales of the following articles in the Chicago Metropolitan Area made by contracting distributors shall be at the prices hereinafter in this Exhibit set forth. Sales of the following articles in bottles shall be made only in bottles of the sizes specified, and where a butterfat content is specified, only at the specified percentage.

(b) It shall not be deemed a violation of this agreement to add to the selling price of any article or articles hereinafter in this Exhibit specified, any sales or occupational taxes imposed by the laws of any State, if permitted by such laws; but, any such additions shall be uniform as to all contracting distributors.

I. -- Wholesale Price Schedule

This schedule shall apply to sales of the following articles for resale except that it shall not apply to sales to stores.

1. MILK - BULK:-

30¢ per gallon in full 8-gallon or 10-gallon cans  
32¢ per gallon in split cans

2. MILK - BOTTLES:-

8-1/2¢ - quarts  
6¢ - pints  
3-1/2¢ - 1/2 pints  
4-1/2¢ - 1/3 quarts

3. BUTTERMILK - BOTTLE:-

8-1/2¢ - quarts  
3-1/2¢ - 1/2 pints  
4-1/2¢ - 1/3 quarts

4. CHOCOLATE OR COCOA DRINK - BOTTLE:-

4¢ - 1/2 pints  
5¢ - 1/3 quarts

5. CREAM - BULK:-

5¢ a point in quantities of 8 gallons or over  
5-1/2¢ a point in quantities of less than 8 gallons.





The foregoing charges for cream in bulk shall be increased by 10¢ per gallon for such cream delivered from retail wagons in outlying sections (10¢ additional per gallon in outlying sections) as established by existing trade customs.

6. CREAM - BOTTLE:-

18% - 32¢ - quarts

20% - 37¢ - quarts

22% - 42¢ - quarts

30% - 48¢ - quarts

II. Price Schedule to Stores

This schedule shall apply to sales of the following articles to stores:

7. MILK - BOTTLE:-

8-1/2¢ - quarts

6¢ - pints

8. BUTTERMILK - BOTTLE:-

8-1/2¢ - quarts

9. CHOCOLATE OR COCOA DRINK - BOTTLE:-

7-1/2¢ - pints

10. CREAM - BOTTLES:-

13-1/2¢ - 1/2 pints, table cream

7-1/2¢ - gills, table cream

18-1/2¢ - 1/2 pints, whipping cream

11. COTTAGE CHEESE:-

12-1/2¢ - per 12 ounce package



12. SOURED CREAM - BOTTLE:-

If butterfat content is 10% or over -

35¢ - quarts  
18¢ - pints  
9¢ - 1/2 pints

III.--Retail Price Schedule

This schedule shall apply to sales of the following articles at retail:

13. MILK - BOTTLE:-

10¢ - quarts, except that if sale is made upon the order of any one of the following relief agencies the price shall be 9-1/2¢ per quart:

Illinois Emergency Relief Commission  
Jewish Charities  
Catholic Charities  
United Charities  
Township Trustees of Lake County, Indiana

7¢ - pints  
4¢ - 1/2 pints

14. SPECIAL OR PREMIUM WHOLE MILK - BOTTLES:-

Not less than 13 nor more than 15¢ - quarts  
9¢ - pints

15. BUTTERMILK - BOTTLE:-

10¢ - quarts  
7¢ - pints

16. CHOCOLATE OR COCOA DRINK - BOTTLE:-

16¢ - quarts  
9¢ - pints  
5¢ - 1/2 pints

17. CREAM - BOTTLE:-

55¢ - quarts, table cream  
15¢ - 1/2 pints, table cream  
9¢ - gills, table cream  
20¢ - 1/2 pints, whipping cream





18. COTTAGE CHEESE:-

14¢ per 12 ounce package

19. SOURED CREAM - BOTTLE:-

If butterfat content is 18 percent or over -

42¢ - quarts

23¢ - pints

12¢ - 1/2 pints





EXHIBIT "D"

Code of Fair Practices

The following practices are considered unfair and shall not be engaged in by the contracting distributors or by their officers, employees or agents:

SAMPLES

1. It shall be considered unfair practice to put out goods as samples.

MISREPRESENTATION

2. It shall be considered unfair practice to sell goods which misrepresent the trade article.

SPECIAL INDUCEMENTS

3. It shall be considered unfair practice to give to any store retailing milk, cream or the derivatives of milk, special inducements not enjoyed by the contracting distributors' general trade; or to exchange milk or cream.
4. It shall be considered unfair practice to give or pay to any hotel, apartment or factory owners, managers, janitors, receiving clerks, maids, housekeepers, linen room attendants, or any other persons, money, compensation, gratuity, free milk, cream or the derivatives of milk, or discounts, for either business or information or assistance in procuring business; and any employee violating the provisions of this paragraph shall be discharged.

Milk licenses only are excepted from the provisions of paragraphs 3 and 4 of this Exhibit "D".

5. It shall be considered an unfair practice to give, loan, sell, or furnish, under any circumstances, ice boxes, ice, or other devices or means for refrigeration.

SOLICITORS

6. It shall be considered unfair practice to have more than one man on a wagon or to use foremen as solicitors excepting only when they are serving routes. No foreman shall be kept indefinitely on a route for the purpose of building up a route.

PREMIUMS - DISCOUNTS

7. It shall be considered unfair practice to pay premiums or allow discounts of any sort to new customers.



#### PAYING EMPLOYEES

8. It shall be considered unfair practice to give employees prizes of any description on new business or for new customers; or to offer to pay bonuses to employees for getting percentages of business.

#### BUYING LEADS

9. It shall be considered unfair practice to buy any leads from real estate firms, moving companies, gas and telephone companies or any other agencies or persons.

#### ADVERTISING

10. Except as the same may be conducted through an association of contracting distributors it shall be considered unfair practice:
  - (a) To take advertising in any program, periodical or publication of any kind whatsoever unless such publication has a general paid circulation or is for sale on news stands. Advertisements or display type in telephone directories, advertisements in hotel registers and radio advertising are to be considered in the same class as program advertisements.
  - (b) To conduct exhibits and displays, such as floats, wagons, automobiles, and similar displays in parades and like activities.
  - (c) To buy tickets for benefits, concerts, fairs and exhibits.

#### GIVING GOODS AWAY

11. It shall be considered unfair practice to give away goods.

#### SPECIAL ROUTES

12. It shall be considered unfair practice for the purpose of working a new building to put on, in a territory already adequately served by existing routes a new route, without sufficient other business to constitute a whole route.

#### EXCLUSIVE DEVICES

13. It shall be considered unfair practice to contract for or to use any container, bottle, device, or to sell any beverage including milk, which is controlled by a patent or copyright and which is not offered to dealers generally, unless the contracting distributor has sole interest therein or a shop right thereto. Existing contracts are excepted from the provisions of this paragraph.





## BOTTLES, ETC.

14. It shall be considered unfair practice for any contracting distributor to use in the course of his business any bottle, can or case the title to which is vested in another person, firm or corporation.

It shall also be considered unfair practice for any contracting distributor to sell fluid milk in bottles except in those on which there shall be blown or otherwise noted words appropriately identifying the contracting distributor, and which bottles are sealed with caps bearing words appropriately identifying the contracting distributor.

This paragraph shall not be construed to apply to stores or to persons reselling for consumption on the premises where sold.

## HIRING EMPLOYEES

15. It shall be considered unfair practice to hire an employee while in the employ of another contracting distributor.
16. It shall be considered unfair practice to place a salesman on a route, which within one year previously, he had covered in whole or in part for another contracting distributor.

## STANDARDIZATION

17. It shall be considered unfair practice to sell soured cream of less than 18% butterfat content.
18. It shall be considered unfair practice to sell sweet cream retail in containers other than quarts, half-pints, and gills.
19. It shall be considered unfair practice to sell milk and/or cream over the counter, other than at retail prices specified in Exhibit "C".
20. It shall be considered unfair practice to carry ice other than crushed ice on the wagons.

## SPECIAL DELIVERIES

21. It shall be considered unfair practice regularly to make special deliveries to any particular retail customer.

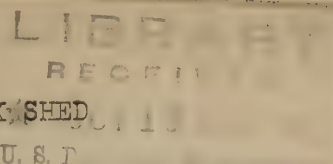
## TERRITORIES

22. It shall be considered unfair practice for a distributor to sell either for himself or as agent for another in a territory which within one year previously has been covered by him in any capacity for another.

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AMENDMENT OF MARKETING AGREEMENT FOR MILK - CHICAGO MILK SHED



1. The parties to this Amendment of the Marketing Agreement for Milk - Chicago Milk Shed are the contracting producers, the contracting distributors, and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended

- (1) to establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period; the base period in the case of all agricultural commodities except tobacco being the pre-war period, August 1909 - July 1914, and in the case of tobacco, the base period being the post-war period, August 1919 - July 1920:
- (2) to approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and
- (3) to protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period August 1909 - July 1914; and

WHEREAS, it is understood that to effectuate such declared policy, the contracting producers shall receive a fair proportion of the financial benefits resulting to the contracting distributors from this Amendment to the said Marketing Agreement for Milk - Chicago Milk Shed and acts done pursuant thereto until parity is achieved for the contracting producers, and that subject to the foregoing, at all times, efforts will be made by the contracting distributors to yield to the consumers a fair proportion of such financial benefits and savings; and

WHEREAS, pursuant to the Act, the parties hereto, for the purposes of correcting the conditions now obtaining in the marketing of fluid milk in the Chicago Metropolitan Milk Area, desire to amend the "Marketing Agreement for Milk - Chicago Milk Shed", approved and executed by the Secretary of Agriculture July 28, 1933, in the manner herein set forth, NOW, THEREFORE, the parties hereto agree as follows:

1. That the aforesaid Marketing Agreement for Milk - Chicago Milk Shed shall be amended by striking out all of Exhibit A, all of Exhibit C, and all of Exhibit D thereof, and by inserting in lieu thereof, Amended Exhibit A,





Amended Exhibit C, and Amended Exhibit D, all of which are attached hereto and made a part hereof.

2. The Exhibits A, C, and D, as contained in said Marketing Agreement for Milk - Chicago Milk Shed shall cease to be effective on and after the effective date of this Amendment.

3. This Amendment of the Marketing Agreement for Milk - Chicago Milk Shed shall become effective at such time as the Secretary may declare above his signature attached hereto.

4. The provisions of the aforesaid Marketing Agreement except as amended by this Amendment shall continue to be in full force and effect.

IN WITNESS WHEREOF the contracting producers and the contracting distributors, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.

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WHEREAS, it appears, after due consideration, that the aforesaid marketing agreement, as amended, will tend to effectuate the policy of Congress set forth in Section 2 of the Act in that such marketing agreement, as amended, will:

(1) establish and maintain such balance between the production of milk in the Chicago Metropolitan Area and the consumption of such milk and its products in the Chicago Metropolitan Area and such marketing conditions therefor as will reestablish prices to the producers thereof at a level that will give such agricultural commodity a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of such agricultural commodity in the base period as defined in Section 2 of the Act; and

(2) approach such equality of purchasing power by gradual correction of the present inequalities herein at as rapid a rate as is possible in view of current consumptive demand in domestic and foreign markets; and

(3) to protect the consumers' interest by retaining the production of such agricultural commodity at such level as will not increase the percentage of the consumers' retail cost for such agricultural commodity or product derived therefrom which was returned to the farmers above the percentage which was returned to the farmers in the pre-war period August 1909 - July 1914.

NOW, THEREFORE, I, HENRY A. WALLACE, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purposes and



within the limitations therein contained, and not otherwise, do hereby execute this Amendment amending the "Marketing Agreement for Milk - Chicago Milk Shed", heretofore duly executed by me, under my hand and the official seal of the Department of Agriculture in the City of Washington, District of Columbia, on this       day of September, 1933; and pursuant to the provisions thereof, I declare this Amendment to be effective on and after 12:01 a.m. central standard time, October       , 1933.

Secretary of Agriculture.





EXHIBIT "A"

PRICES TO BE PAID PRODUCERS AND EQUALIZATION POOL

1. Definitions. As used in this Exhibit, the following words and phrases shall mean:

(a) The words "producers" and "distributors" include both contracting producers and contracting distributors as defined in the Agreement and also producers and distributors as defined in the license issued by the Secretary of even date herewith.

(b) Sales Milk is that milk delivered by producers to distributors and used by distributors as Class 1 Milk and Class 2 Milk, both as herein defined.

(c) Surplus Milk means all milk delivered by producers to distributors other than sales milk.

(d) Established Base is that quantity of milk allotted to each producer in accordance with the rules for control of basic production set forth in Exhibit B.

(e) Delivered Base is that quantity of milk delivered by any producer to any distributor which is not in excess of the established base of such producer.

(f) Adjusted Base means that portion of the delivered base of any producer adjusted in the manner hereinafter provided in this Exhibit "A".

(g) Class 1 Milk means all milk sold by distributors for consumption as milk in the Chicago Metropolitan area.

(h) Class 2 Milk means all milk used by distributors to produce the cream sold by distributors for consumption as cream in the Chicago Metropolitan area.

II. Cost of Milk to Distributors

1. The following prices are f.o.b. distributor's country plants platforms or loading stations, for milk of 3.5 percent butterfat content.

Class 1. The price of Class 1 milk to be paid by the distributor shall be \$2.10 per hundred weight.

Class 2. The price for Class 2 milk to be paid by the distributor shall be \$1.45 per hundred weight.

Surplus Milk. The price of Surplus Milk per hundred weight shall be 3 cents, plus 3 1/2 times the average price in the Chicago market, for the



calendar month during which the milk is delivered, of 92-score creamery butter sold at wholesale.

2. In order to equalize between distributors on account of difference in quantities of milk used by distributors as Class 1 milk and Class 2 milk respectively, there shall be an adjustment through the Equalization Pool, hereinafter provided for, as follows:

(a) On or before the 10th day of each calendar month, each distributor shall report to the Auditor of the Equalization Pool the total quantities sold or used by such distributor during the preceding calendar month as Class 1 Milk and Class 2 Milk respectively and the established base and actual deliveries of each producer supplying him during the preceding calendar month.

(b) The Auditor shall establish the weighted price of sales milk for each distributor by: (1) multiplying the total quantity of Class 1 Milk sold by such distributor during the previous month by the Class 1 price; (2) by multiplying the total quantity of Class 2 Milk used by such distributor during the previous month by the Class 2 price; (3) adding the two resulting products together and (4) dividing the sum thereof by the total number of pounds of Sales Milk sold or used by such distributor during the previous month. The resulting figure will be the weighted price at which such distributor shall account to the Equalization Pool for total quantities of Sales Milk sold or used by such distributor during the current month.

(c) The Auditor shall then compute a blended price for the entire market by: (1) multiplying the total quantity duly reported as sold by distributors during the previous month as Class 1 Milk by the Class 1 price; (2) multiplying the total quantity duly reported as used by all distributors during the previous month as Class 2 Milk by the Class 2 price, (3) adding the two resulting products together and (4) dividing the sum thereof by the total quantity of Sales Milk duly reported as sold or used by distributors during the previous month. The resulting figure will be the blended price for the entire market for Sales Milk for the current month.

(d) Each distributor whose weighted price for the current month shall exceed the blended price for the entire market for the current month, both as hereinbefore determined, shall pay into the Equalization Pool an amount per hundredweight equal to the difference between the weighted price of such distributor for Sales Milk and the blended price multiplied by the total hundredweight of Sales Milk sold or used by such distributor.

(e) Each distributor whose weighted price for the current month is less than the blended price for the entire market for the current month, both as hereinbefore determined, shall be entitled to receive from the Equalization Pool an amount per hundredweight equal to the difference between the blended price and the weighted price of such distributor multiplied by the total hundredweight of Sales Milk sold or used by such distributor.





III.

Prices to Producers

In order to equalize prices to be paid each producer for his deliveries of milk, with reference to the total quantities of Sales Milk used or sold by distributors in comparison to total established bases, there shall be an adjustment through the Equalization Pool hereinafter provided for, as follows:

(a) The Auditor of the Equalization Pool shall compute the total reported quantities of Sales Milk for the previous month and the total of the established bases for said previous month, of producers supplying such reporting distributors, and shall divide such total of quantities of Sales Milk by such total of established bases. The result will be a percentage which is to be applied against the several established bases of all producers for the current month as provided in the next paragraph of this subdivision.

(b) The Auditor shall report to every distributor the percentage arrived at as provided in the preceding paragraph. Every distributor shall thereupon pay to each of the producers supplying him, the blended price as established in the preceding subdivision of this Exhibit "A" on that percentage of the established base of each such producer resulting from the application of the foregoing percentage to such established base; but in the case of any producer whose delivered base is less than such percentage of his established base, payment to such producer shall be made on the delivered base. The adjusted base of each producer for the current month shall therefore be either his delivered base or the foregoing percentage of his established base, whichever shall be the lower.

(c) If in the case of any distributor, the number of pounds of Sales Milk delivered to him be less than the adjusted bases of all the producers delivering Sales Milk to him (due, in any instance, to the delivered base being less than the foregoing percentage of established bases) such distributor shall pay into the Equalization Pool the difference between the blended price for the entire market per cwt. and the surplus price per cwt., multiplied by the amount of such deficiency in quantities per cwt. The amount so paid by all such distributors shall be held in the Equalization Pool, as a Special Reserve Fund, to be disposed of as provided in Subdivision IV of this Exhibit.

(d) In the case of any distributor whose payments to producers plus his total payment into said Special Reserve Fund is less than the amount which he owes for Sales Milk, as hereinbefore set forth, he shall pay such difference into the Equalization Pool. The payments to be made by distributors as provided in this paragraph and in the preceding paragraph shall be made on the same date herein provided for payment to producers.

(e) As soon as reasonably practicable the Auditor shall distribute monthly the payments, if any, received by him pursuant to the preceding paragraph among those distributors, whose actual payments to producers, plus payments into the Special Reserve Fund, are in excess of the amount which such distributors are accountable for at the blended price for Sales Milk. The payments, received by the Auditor under the preceding paragraph shall be paid to such distributors pro rata in accordance with such excess payments made by each such distributor.



IV.

Special Reserve Fund

There shall first be charged against the Special Reserve Fund, the cost of operation of the Equalization Pool, and if there be a balance after deduction of such cost of operation, it shall be used as follows: If any distributor to whom payments are due from the Equalization Pool, has not received the same out of payments due to the Equalization Pool as provided in the preceding subdivision, then such distributor shall receive pro rata payment out of the Special Reserve Fund to the extent necessary to make up the full amount to which he may be entitled. Whenever the accumulated balance in the Special Reserve Fund shall, in the opinion of Milk Industry Board, be sufficient to constitute an adequate reserve for the purposes herein set forth, Milk Industry Board may, in its discretion, distribute to producers in whole or in part, any moneys paid into the Special Reserve Fund in excess of such adequate reserve. Such distribution may be made from month to month, in an equitable manner in accordance with the adjusted bases of all producers in the market during the month in which such payments may be made.

V.

Administration of the Equalization Pool

The Agency provided for in Section II of this Agreement shall be known as the Milk Industry Board, which may be a corporation. Said Milk Industry Board shall select the Auditor (who shall be a licensed public accountant) to operate on its behalf the Equalization Pool. Payments made into the Equalization Pool as provided herein shall be made to Milk Industry Board. Milk Industry Board shall be authorized to provide for reasonable compensation to the Auditor, and to incur such other expenses as Milk Industry Board may deem necessary for the proper conduct of said Equalization Pool. All such expenses and compensation shall be deemed to be the cost of operation as used herein.

VI.

Additional Adjustments

In addition to the foregoing payments to producers in respect of the adjusted bases of each producer, every distributor shall make the following additional payments or be entitled to make the following deductions as the case may be.

(a) If any producer has delivered to any distributor milk having an average butterfat content for such month other than 3.5 percent, such distributor shall pay to each such producer a butterfat differential of 4 cents per hundred pounds for 1/10th of 1 percent average butterfat content above 3.5 percent, or shall be entitled to deduct a butterfat differential of 4 cents per hundred pounds for each 1/10th of 1 percent butterfat content below 3.5 percent.

(b) If any producer has delivered milk to a distributor at a country plant, platform, or loading station, located more than 70 miles from the City Hall in Chicago, such distributor shall be entitled to make a deduction from the blended price in respect to Sales Milk so delivered on the following basis: 1¢ per hundred weight for each 10 miles or part thereof in excess of 70 miles, but not in excess of 100 miles from the City Hall in Chicago; and an additional





1 cent per hundred for each 15 miles or part thereof, in excess of 100 miles from the City Hall in Chicago.

(c) If any producer has made deliveries of milk in any month to any distributor in excess of the adjusted base of such producer for such month, the distributor shall pay for such milk delivered in excess of adjusted base, the surplus price therefor as hereinabove set forth.

VII.

Miscellaneous Provision

1. Every distributor purchasing any milk from producers shall have contracts or other arrangements for the purchase of milk from sufficient individual producers having established bases so that his aggregate purchases shall result in such distributor purchasing daily, if tendered, a quantity of milk sufficient to meet his daily sales of Class 1 Milk, and his daily requirements of milk for sale as cream up to 35% of his sales of Class 1 milk.

2. Any distributor who is complying with provisions of the preceding paragraph may purchase milk or cream for the purpose of sale for consumption as milk or cream in the Chicago Metropolitan area from producers other than those with established bases, but such purchases shall be made at a price which will secure such producers of such milk, whether or not said milk be purchased in the form of milk or cream, a price per hundredweight equivalent to the Class 1 or Class 2 price herein set forth, according to use. A monthly report of any such purchases by distributors shall be made to the Milk Industry Board, and the Milk Industry Board shall be authorized to exclude the quantities thus purchased and the purchase price therefor from the computations employed in calculating the Equalization Pool.

3. Any producer electing to retain on his farm the excess of his production over his established base, instead of delivering the same to the distributor to whom he is delivering his base milk, shall, except as to the amount consumed on his own farm, separate such excess into cream and skim milk, the cream to be sold for manufacturing purposes, and the skim milk to be retained on his farm.

4. For the purposes of controlling production and making supply contracts, the Auditor shall furnish to the Pure Milk Association a duplicate of his report to each individual distributor and of the whole market equalizing operation. Each distributor shall furnish to the Pure Milk Association a duplicate of his report to the Auditor. Such information shall be treated as confidential by the Pure Milk Association.

5. The reports and figures of the Auditor shall be final and conclusive and no claim shall be maintained against Milk Industry Board or any member thereof on account of any alleged discrepancy in said figures or reports.

6. All milk delivered in any month shall be paid for not later than the 15th of the following month.



7. The Milk Industry Board shall have the right to make such additional rules and regulations for the equitable operation of the Equalization Pool as it may deem advisable, it being understood that the purpose and intent of the Equalization Pool is that the gross cost to the distributor for Sales Milk, during any month, after the Auditor of the Equalization Pool has made the necessary adjustments as provided in this exhibit, shall be the prices set forth in this exhibit (subject to the adjustments provided in Subdivision 6 of this exhibit) for the quantity sold or used as Sales Milk.





## EXHIBIT C. PRICE SCHEDULE FOR CONTRACTING DISTRIBUTORS' SALES

(a) Sales of the following articles in the Chicago metropolitan area made by contracting distributors shall be at the prices hereinafter in this exhibit set forth. Sales of the following articles in bottles shall be made only in bottles of the sizes specified, and, where a butterfat content is specified, only at the specified percentage.

(b) It shall not be deemed a violation of this Agreement to add to the selling price of any article or articles hereinafter in this exhibit specified any sales or occupational taxes imposed by the laws of any State, if permitted by such laws; but any such additions shall be uniform as to all contracting distributors in accordance with such regulations as the Secretary may prescribe not in conflict with local law.

### 1. WHOLESALE PRICE SCHEDULE

This schedule shall apply to sales of the following articles for resale except that it shall not apply to sales to stores.

#### 1. Milk, bulk.--

32 cents per gallon in full 8-gallon or 10-gallon cans.

34 cents per gallon in split cans.

Where one purchaser buys a total supply of 8 gallons or more in any one day, even though it is necessary to make several deliveries at different places or at one place at different times throughout the day, he will be entitled to the 32 cent price. For example: 5 stops 5 gallons each is 32 cents per gallon--5 stops 1 gallon each is 34 cents.

#### 2. Milk, bottle.--

9-1/2 cents, quarts.

6 cents, pints.

3-1/2 cents, 1/2 pints.

4-1/2 cents, 1/3 quarts.

#### 3. Buttermilk, bottle.--

9-1/2 cents, quarts.

3-1/2 cents, 1/2 pints.

4-1/2 cents, 1/3 quarts.

#### 4. Buttermilk, bulk.--

32 cents per gallon in full 8-gallon cans.

34 cents per gallon in split cans.

#### 5. Chocolate or cocoa drink, bottle.--

14-1/2 cents, quarts.

4 cents, 1/2 pints.

5 cents, 1/3 quarts.



6. Cream or soured cream, bulk.--

5-1/2 cents a point in quantities of 8 gallons or over.  
6 cents a point in quantities of less than 8 gallons.

7. Cream, bottle.--

If butterfat content is 18 percent, 35 cents; quarts.  
If butterfat content is 20 percent, 38 cents; quarts.  
If butterfat content is 22 percent, 41 cents; quarts.  
If butterfat content is 30 percent, 53 cents; quarts.  
If butterfat content is 36 percent, 62 cents; quarts.

II. PRICE SCHEDULE TO STORES

This schedule shall apply to sales of the following articles to stores:

8. Milk, bottle.--

9-1/2 cents, quarts.  
6 cents, pints.

9. Buttermilk, bottle.--

9-1/2 cents, quarts.

10. Chocolate or cocoa drink, bottle.--

7-1/2 cents, pints.

11. Cream, bottle.--

13-1/2 cents, one-half pints, table cream.  
7-1/2 cents, gills, table cream.  
18-1/2 cents, one-half pints, whipping cream.

12. Cottage cheese.--

12-1/2 cents per 12-ounce package.

13. Soured cream, bottle.--

If butterfat content is 18 percent or over--  
35 cents, quarts.  
18 cents, pints.  
9 cents, one-half pints.

III. RETAIL PRICE SCHEDULE

This schedule shall apply to sales of the following articles at retail:

(Sales of milk and/or cream over the counter shall be considered to be retail sales) --





11 cents, quarts, except that if sale is made upon the order of any one of the following relief agencies the price shall be 10-1/2 cents per quart: Illinois Emergency Relief Commission, Jewish Charities, Catholic Charities, United Charities, Township Trustees of Lake County, Ind.

7 cents, pints.

4 cents, one-half pints.

15. Special or premium whole milk, bottle.--

Not less than 14 nor more than 16 cents, quarts.

9 cents, pints.

16. Buttermilk, bottle.--

11 cents, quarts.

7 cents, pints.

17. Chocolate or cocoa drink, bottle.--

16 cents, quarts.

9 cents, pints.

5 cents, one-half pints.

18. Cream, bottle.--

55 cents, quarts, table cream.

15 cents, one-half pints, table cream.

9 cents, gills, table cream.

20 cents, one-half pints, whipping cream.

19. Cottage cheese.--

14 cents per 12-ounce package.

20. Soured cream, bottle.--

If butterfat content is 18 percent or over--

42 cents, quarts.

23 cents, pints.

12 cents, one-half pints.

Fifteen days after the effective date of this Agreement, the contracting distributors may sell fluid milk to any public unemployment relief agency at prices below those set forth in this schedule.



EXHIBIT D

RULES OF FAIR PRACTICES

The following practices are considered unfair and shall not be engaged in by contracting distributors or by their officers, employees or agents:

(1) Any method or device whereby fluid milk is sold or offered for sale at a price less than stated in the agreement, whether by any discount, rebate, free service, merchandise, advertising allowance, credit for bulk fluid milk returned, loans or credits outside of the usual course of business or other valuable consideration or as combined price for such milk together with another commodity sold or offered for sale, whether separately or otherwise, or whereby a subsidy is given for either business or information or assistance in procuring business; or whereby business is obtained, or sought to be obtained, by misrepresentation as to any article listed in Exhibit C.

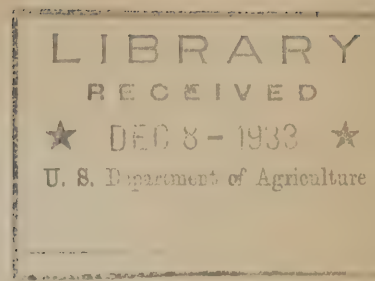
(2) For any contracting distributor (a) to sell any fluid milk in a territory which within one year last past has been covered by him in any capacity for another distributor or (b) to cause to be sold through an agent or employee fluid milk in any territory which such agent or employee has within one year last past covered in any capacity for another distributor or (c) to hire an employee while he is in the employ of another distributor.

(3) For any contracting distributor to use in the course of his business any bottle, can, or case, the title to which is vested in another person, firm, or corporation. This provision shall not be construed to apply to stores or to persons reselling for consumption on the premises where sold.





1944  
D. H. Ma  
Chicago



AMENDED AGREEMENT AND LICENSE FOR MILK -  
CHICAGO MILK SHED

Note: Amended agreement appears as  
appendix to Amendment I of  
License.



AMENDMENT OF LICENSE FOR MILK - CHICAGO MILK SHED

WHEREAS, it is provided by Section 8 of the Act, as follows:

"Section 8. In order to effectuate the declared policy the Secretary of Agriculture shall have power --

"(3) To issue licenses permitting processors, associations of producers and others to engage in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, or any competing commodity or product thereof. Such licenses shall be subject to such terms and conditions not in conflict with existing acts of Congress or regulations pursuant thereto as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy and the restoration of normal economic conditions in the marketing of such commodities or products thereof and the financing thereof \*\*\*\*\*

"(4) To require any licensee under this section to furnish such reports as to quantities of agricultural commodities or products thereof bought and sold and the prices thereof, and as to trade practices and charges, and to keep such systems of accounts as may be necessary for the purpose of part 2 of this title": and

WHEREAS, the Secretary, acting under the provisions of said Act for the purposes and within the limitations therein contained, after due notice and opportunity for hearing to interested parties given pursuant to the provisions of said Act, and to the regulations issued thereunder, has, on the 28th day of July, 1933, executed under his hand and the official seal of the Department of Agriculture a certain agreement entitled "Marketing Agreement for Milk - Chicago Milk Shed", and

WHEREAS, the Secretary, acting under the provisions of said Act, for the purposes and within the limitations therein contained, after due notice and opportunity for hearing to interested parties given pursuant thereto, and in the regulations issued thereunder, and after due consideration, he has, on the 30th day of October, 1933, executed under his hand and the official seal of the Department of Agriculture, a certain agreement entitled "Amendment of Marketing Agreement for Milk - Chicago Milk Shed", and

WHEREAS, the Secretary has determined that it is necessary to modify the terms and conditions of the aforesaid "License for Milk - Chicago Milk Shed" in order that such terms and conditions may be in conformity with the said "Marketing Agreement for Milk - Chicago Milk Shed" as amended by



the aforesaid "Amendment to Marketing Agreement for Milk - Chicago Milk Shed" and to accomplish more effectively the declared policy of said Act and the purpose and intent of said Marketing Agreement as amended.

NOW, THEREFORE, the Secretary of Agriculture, acting under the authority vested in him as aforesaid;

Hereby amends and modifies the terms and conditions of the aforesaid "License for Milk, Chicago Milk Shed" as follows:

1. The aforesaid "License for Milk - Chicago Milk Shed" shall be amended by striking out all of Exhibit A, all of Exhibit C, and all of Exhibit D thereof, and by inserting in lieu thereof Amended Exhibit A, Amended Exhibit C, and Amended Exhibit D, all of which are attached hereto and made a part hereof.
2. The aforesaid "License for Milk - Chicago Milk Shed" shall be amended by adding thereto as "Appendix III" the aforesaid "Amendment of Marketing Agreement for Milk - Chicago Milk Shed."
3. The aforesaid "License for Milk - Chicago Milk Shed" shall be further amended by adding as paragraph 10 thereto the following:

"10. No distributor shall knowingly purchase fluid milk from, or process or distribute fluid milk for, or sell fluid milk to any other distributor who is violating any provision of this License."
4. The aforesaid "License for Milk - Chicago Milk Shed" shall be amended by striking out all of paragraph 6 thereof, and by inserting in lieu thereof a new paragraph numbered "6", reading as follows:

"6. Every distributor shall purchase or sell for consumption as fluid milk only such milk as complies with the standards governing the production, receiving, transportation, processing, and distribution of fluid milk established pursuant to and in accordance with the health ordinances of the city of Chicago, except in those areas within the Chicago metropolitan area where the health ordinances of any other municipality are in full force and effect."
5. This amendment of the License for Milk - Chicago Milk Shed, shall become effective at such time as the Secretary may declare above his signature attached hereto.
6. The provisions of the aforesaid License for Milk - Chicago Milk Shed, except as amended by this Amendment, shall continue to be in full force and effect.

7. Nothing herein contained shall release or otherwise affect the liability of any licensee in respect to any violation by him prior to the effective date of this Amendment to License for Milk - Chicago Milk Shed.

8. IN WITNESS WHEREOF, I, Henry A. Wallace, Secretary of Agriculture of the United States, do hereby execute this Amendment to License for Milk - Chicago Milk Shed, in the City of Washington, District of Columbia, on this 30th day of October, 1933, and pursuant to the provisions hereof, declare the provisions of said Amendment to License for Milk - Chicago Milk Shed, to be effective on and after 12:01 A. M. Eastern Standard Time, November 3, 1933.

(S) H. A. Wallace,  
Secretary of Agriculture.

EXHIBIT "A"

PRICES TO BE PAID PRODUCERS AND EQUALIZATION POOL

I. Definitions, as used in this Exhibit, the following words and phrases shall mean:

(a) The words "producers" and "distributors" include both producers and distributors as defined in this license and also contracting producers and contracting distributors as defined in the Marketing Agreement for Milk - Chicago Milk Shed, as amended.

(b) Sales Milk is that milk delivered by producers to distributors and used by distributors as Class I milk and Class 2 Milk, both as herein defined.

(c) Surplus Milk means all milk delivered by producers to distributors other than sales milk.

(d) Established Base is that quantity of milk allotted to each producer in accordance with the rules for control of basic production set forth in Exhibit B.

(e) Delivered Base is that quantity of milk delivered by any producer to any distributor which is not in excess of the established base of such producer.

(f) Adjusted Base means that portion of the delivered base of any producer adjusted in the manner hereinafter provided in this Exhibit "A".

(g) Class 1 Milk means all milk sold by distributors for consumption as milk in the Chicago Metropolitan area.

(h) Class 2 Milk means all milk used by distributors to produce the cream sold by distributors for consumption as cream in the Chicago Metropolitan area.

II.

Cost of Milk to Distributors

1. The following prices are f.o.b. distributor's country plants platforms or loading stations for milk of 3.5 percent butterfat content.

Class 1. The price of Class 1 milk to be paid by the distributor shall be \$2.10 per hundred weight; subject to a discount of 23 cents per hundredweight for all milk sold to the charities named in paragraph 14 of Exhibit C.

Class 2. The price for Class 2 milk to be paid by the distributor shall be \$1.45 per hundredweight.

Surplus Milk. The price of Surplus Milk per hundredweight shall be 2 cents plus 3-1/2 times the average price in the Chicago market, for the calendar month during which the milk is delivered, of 92-score creamery butter sold at wholesale.



2. In order to equalize between distributors on account of difference in quantities of milk used by distributors as Class 1 milk and Class 2 milk respectively, there shall be an adjustment through the Equalization Pool, hereinafter provided for, as follows:

(a) On or before the 10th day of each calendar month, each distributor shall report to the Auditor of the Equalization Pool the total quantities sold or used by such distributor during the preceding calendar month as Class 1 Milk and Class 2 Milk respectively and the established base and actual deliveries of each producer supplying him during the preceding calendar month.

(b) The Auditor shall establish the weighted price of sales milk for each distributor by: (1) multiplying the total quantity of Class 1 Milk sold by such distributor during the previous month by the Class 1 price; (2) by multiplying the total quantity of Class 2 Milk used by such distributor during the previous month by the Class 2 price; (3) adding the two resulting products together and (4) dividing the sum thereof by the total number of pounds of Sales Milk sold or used by such distributor during the previous month. The resulting figure will be the weighted price at which such distributor shall account to the Equalization Pool for total quantities of Sales Milk sold or used by such distributor during the current month.

(c) The Auditor shall then compute a blended price for the entire market by: (1) multiplying the total quantity duly reported as sold by distributors during the previous month as Class 1 Milk by the Class 1 price; (2) multiplying the total quantity duly reported as used by all distributors during the previous month as Class 2 Milk by the Class 2 price, (3) adding the two resulting products together and (4) dividing the sum thereof by the total quantity of Sales Milk duly reported as sold or used by distributors during the previous month. The resulting figure will be the blended price for the entire market for Sales Milk for the current month.

(d) Each distributor whose weighted price for the current month shall exceed the blended price for the entire market for the current month, both as hereinbefore determined, shall pay into the Equalization Pool an amount per hundredweight equal to the difference between the weighted price of such distributor for Sales Milk and the blended price multiplied by the total hundredweight of Sales Milk sold or used by such distributor.

(e) Each distributor whose weighted price for the current month is less than the blended price for the entire market for the current month, both as hereinbefore determined, shall be entitled to receive from the Equalization Pool an amount per hundredweight equal to the difference between the blended price and the weighted price of such distributor multiplied by the total hundredweight of Sales Milk sold or used by such distributor.



III.

Prices to Producers

In order to equalize prices to be paid each producer for his deliveries of milk, with reference to the total quantities of Sales Milk used or sold by distributors in comparison to total established bases, there shall be an adjustment through the Equalization Pool hereinafter provided for, as follows:

(a) The Auditor of the Equalization Pool shall compute the total reported quantities of Sales Milk for the previous month and the total of the established bases for said previous month, of producers supplying such reporting distributors, and shall divide such total of quantities of Sales Milk by such total of established bases. The result will be a percentage which is to be applied against the several established bases of all producers for the current month as provided in the next paragraph of this subdivision.

(b) The Auditor shall report to every distributor the percentage arrived at as provided in the preceding paragraph. Every distributor shall thereupon pay to each of the producers supplying him, the blended price as established in the preceding subdivision of this Exhibit "A" on that percentage of the established base of each such producer resulting from the application of the foregoing percentage to such established base; but in the case of any producer whose delivered base is less than such percentage of this established base, payment to such producer shall be made on the delivered base. The adjusted base of each producer for the current month shall therefore be either his delivered base or the foregoing percentage of his established base, whichever shall be the lower.

(c) If in the case of any distributor, the number of pounds of Sales Milk delivered to him be less than the adjusted bases of all the producers delivering Sales Milk to him (due, in any instance, to the delivered base being less than the foregoing percentage of established bases) such distributor shall pay into the Equalization Pool the difference between the blended price for the entire market per cwt. and the surplus price per cwt., multiplied by the amount of such deficiency in quantities per cwt. The amount so paid by all such distributors shall be held in the Equalization Pool, as a Special Reserve Fund, to be disposed of as provided in Subdivision IV of this Exhibit.

(d) In the case of any distributor whose payments to producers plus his total payment into said Special Reserve Fund is less than the amount which he owes for Sales Milk, as hereinbefore set forth, he shall pay such difference into the Equalization Pool. The payments to be made by distributors as provided in this paragraph and in the preceding paragraph shall be made on the same date herein provided for payment to producers.

(e) As soon as reasonably practicable the Auditor shall distribute monthly the payments, if any, received by him pursuant to the preceding paragraph among those distributors, whose actual payments to producers, plus payments into the Special Reserve Fund, are in excess of the amount which such distributors are accountable for at the blended price for Sales Milk. The payments, received by the Auditor under the preceding paragraph shall be paid to such distributors pro rata in accordance with such excess payments made by each such distributor.

IV.

Special Reserve Fund

There shall first be charged against the Special Reserve Fund, the cost of operation of the Equalization Pool, and if there be a balance after deduction of such cost of operation, it shall be used as follows: If any distributor to whom payments are due from the Equalization Pool, has not received the same out of payments due to the Equalization Pool as provided in the preceding subdivision, then such distributor shall receive pro rata payment out of the Special Reserve Fund to the extent necessary to make up the full amount to which he may be entitled. Whenever the accumulated balance in the Special Reserve Fund shall, in the opinion of Milk Industry Board, be sufficient to constitute an adequate reserve for the purposes herein set forth, Milk Industry Board may, in its discretion, distribute to producers in whole or in part, any moneys paid into the Special Reserve Fund in excess of such adequate reserve. Such distribution may be made from month to month, in an equitable manner in accordance with the adjusted bases of all producers in the market during the month in which such payments may be made.

V.

Administration of the Equalization Pool

The Agency provided for in Section II of the Marketing Agreement for Milk - Chicago Milk Shed shall be known as the Milk Industry Board, which may be a corporation. Said Milk Industry Board shall select the Auditor (who shall be a licensed public accountant) to operate on its behalf the Equalization Pool. Payments made into the Equalization Pool as provided herein shall be made to Milk Industry Board. Milk Industry Board shall be authorized to provide for reasonable compensation to the Auditor, and to incur such other expenses as Milk Industry Board may deem necessary for the proper conduct of said Equalization Pool. All such expenses and compensation shall be deemed to be the cost of operation as used herein.

VI.

Additional Adjustments

In addition to the foregoing payments to producers in respect of the adjusted bases of each producer, every distributor shall make the following additional payments or be entitled to make the following deductions as the case may be.

(a) If any producer has delivered to any distributor milk having an average butterfat content for such month other than 3.5 percent, such distributor shall pay to each such producer a butterfat differential of 4 cents per hundred pounds for 1/10th of 1 percent average butterfat content above 3.5 percent, or shall be entitled to deduct a butterfat differential of 4 cents per hundred pounds for each 1/10th of 1 percent butterfat content below 3.5 percent.

(b) If any producer has delivered milk to a distributor at a country plant, platform, or loading station, located more than 70 miles from the City Hall in Chicago, such distributor shall be entitled to make a deduction from the blended price in respect to Sales Milk so delivered on the following basis: 1¢ per hundredweight for each 10 miles or part thereof in excess of 70 miles, but not in excess of 100 miles from the City Hall in Chicago; and an additional



1 cent per hundred for each 15 miles or part thereof, in excess of 100 miles from the City Hall in Chicago.

(c) If any producer has made deliveries of milk in any month to any distributor in excess of the adjusted base of such producer for such month, the distributor shall pay for such milk delivered in excess of adjusted base, the surplus price therefor as hereinabove set forth.

## VII.

### Miscellaneous Provision

1. Every distributor purchasing any milk from producers shall have contracts or other arrangements for the purchase of milk from sufficient individual producers having established bases so that his aggregate purchases shall result in such distributor purchasing daily, if tendered, a quantity of milk sufficient to meet his daily sales of Class 1 Milk, and his daily requirements of milk for sale as cream up to 35% of his sales of Class 1 milk.

2. Any distributor who is complying with provisions of the preceding paragraph may purchase milk or cream for the purpose of sale for consumption as milk or cream in the Chicago Metropolitan area from producers other than those with established bases, but such purchases shall be made at a price which will secure such producers of such milk, whether or not said milk be purchased in the form of milk or cream, a price per hundredweight equivalent to the Class 1 or Class 2 price herein set forth, according to use. A monthly report of any such purchases by distributors shall be made to the Milk Industry Board, and the Milk Industry Board shall be authorized to exclude the quantities thus purchased and the purchase price therefor from the computations employed in calculating the Equalization Pool.

3. Any producer electing to retain on his farm the excess of his production over his established base, instead of delivering the same to the distributor to whom he is delivering his base milk, shall, except as to the amount consumed on his own farm, separate such excess into cream and skim milk, the cream to be sold for manufacturing purposes, and the skim milk to be retained on his farm.

4. For the purposes of controlling production and making supply contracts, the Auditor shall furnish to the Pure Milk Association a duplicate of his report to each individual distributor and of the whole market equalizing operation. Each distributor shall furnish to the Pure Milk Association a duplicate of his report to the Auditor. Such information shall be treated as confidential by the Pure Milk Association.

5. The reports and figures of the Auditor shall be final and conclusive and no claim shall be maintained against Milk Industry Board or any member thereof on account of any alleged discrepancy in said figures or reports.

6. All milk delivered in any month shall be paid for not later than the 15th of the following month.

7. The Milk Industry Board shall have the right to make such additional rules and regulations for the equitable operation of the Equalization Pool as it may deem advisable, it being understood that the purpose and intent of the Equalization Pool is that the gross cost to the distributor for Sales Milk, during any month, after the Auditor of the Equalization Pool has made the necessary adjustments as provided in this exhibit, shall be the prices set forth in this exhibit (subject to the adjustments provided in Subdivision 6 of this exhibit) for the quantity sold or used as Sales Milk.



EXHIBIT C. PRICE SCHEDULE FOR DISTRIBUTORS' SALES

(a) Sales of the following articles in the Chicago metropolitan area made by distributors shall be at the prices hereinafter in this exhibit set forth. Sales of the following articles in bottles shall be made only in bottles of the sizes specified, and, where a butterfat content is specified, only at the specified percentage.

(b) It shall not be deemed a violation of this license to add to the selling price of any article or articles hereinafter in this exhibit specified any sales or occupational taxes imposed by the laws of any State, if permitted by such laws; but any such additions shall be uniform as to all distributors in accordance with such regulations as the Secretary may prescribe not in conflict with local law.

1. WHOLESALE PRICE SCHEDULE

This schedule shall apply to sales of the following articles for resale except that it shall not apply to sales to stores.

1. Milk, bulk.--

32 cents per gallon in full 8-gallon or 10-gallon cans.

34 cents per gallon in split cans.

Where one purchaser buys a total supply of 8 gallons or more in any one day, even though it is necessary to make several deliveries at different places or at one place at different times throughout the day, he will be entitled to the 32-cent price. For example: 5 stops 5 gallons each in 32 cents per gallon--5 stops 1 gallon each is 34 cents.

2. Milk, bottle.--

9-1/2 cents, quarts.

6 cents, pints.

3-1/2 cents, 1/2 pints.

4-1/2 cents, 1/3 quarts.

3. Buttermilk, bottle.--

9-1/2 cents, quarts.

3-1/2 cents, 1/2 pints.

4-1/2 cents, 1/2 quarts.

4. Buttermilk, bulk.--

32 cents per gallon in full 8-gallon cans.

34 cents per gallon in split cans.

5. Chocolate or cocoa drink, bottle.--

14-1/2 cents, quarts.

4 cents, 1/2 pints.

5 cents, 1/3 quarts.

6. Cream or soured cream, bulk.--

5-1/2 cents a point in quantities of 8 gallons or over.  
6 cents a point in quantities of less than 8 gallons.

7. Cream, bottle.--

If butterfat content is 18 percent, 35 cents; quarts.  
If butterfat content is 20 percent, 38 cents; quarts.  
If butterfat content is 22 percent, 41 cents; quarts.  
If butterfat content is 30 percent, 53 cents; quarts.  
If butterfat content is 36 percent, 62 cents; quarts.

II. PRICE SCHEDULE TO STORES

This schedule shall apply to sales of the following articles to stores:

8. Milk, bottle.--

9-1/2 cents, quarts.  
6 cents, pints.

9. Buttermilk, bottle.--

9-1/2 cents, quarts.

10. Chocolate or cocoa drink, bottle.--

7-1/2 cents, pints.

11. Cream, bottle.--

13-1/2 cents, one-half pints, table cream.  
7-1/2 cents, gills, table cream.  
18-1/2 cents, one-half pints, whipping cream.

12. Cottage cheese.--

12-1/2 cents per 12-ounce package.

13. Soured cream, bottle.--

If butterfat content is 18 percent or over--  
35 cents, quarts.  
18 cents, pints.  
9 cents, one-half pints.

III. RETAIL PRICE SCHEDULE

This schedule shall apply to sales of the following articles at retail:

(Sales of milk and/or cream over the counter shall be considered to be retail sales) --

14. 11 cents, quarts, except that if sale is made upon the order of any one of the following relief agencies the price shall be the wholesale price per quart of bottled milk, plus tax, if any; Illinois Emergency Relief Commission, Jewish Charities, Catholic Charities, United Charities, Township Trustees of Lake County, Ind.  
7 cents, pints.  
4 cents, one-half pints.
15. Special or premium whole milk, bottle.--  
  
Not less than 14 nor more than 16 cents, quarts.  
9 cents, pints.
16. Buttermilk, bottle.--  
  
11 cents, quarts.  
7 cents, pints.
17. Chocolate or cocoa drink, bottle.--  
  
16 cents, quarts.  
9 cents, pints.  
5 cents, one-half pints.
18. Cream, bottle.--  
  
55 cents, quarts, table cream.  
15 cents, one-half pints, table cream.  
9 cents, gills, table cream.  
20 cents, one-half pints, whipping cream.
19. Cottage cheese.--  
  
14 cents per 12-ounce package.
20. Soured cream, bottle.--  
  
If butterfat content is 18 percent or over--  
42 cents, quarts.  
23 cents, pints.  
12 cents, one-half pints.

EXHIBIT D

RULES OF FAIR PRACTICES

The following practices are considered unfair and shall not be engaged in by distributors or by their officers, employees or agents;

(1) Any method or device whereby fluid milk is sold or offered for sale at a price less than stated in Exhibit C of this license, whether by any discount, rebate, free service, merchandise, advertising allowance, credit for bulk fluid milk returned, loans or credits outside of the usual course of business or other valuable consideration or as combined price for such milk together with another commodity sold or offered for sale, whether separately or otherwise, or whereby a subsidy is given for either business or information or assistance in procuring business; or whereby business is obtained, or sought to be obtained, by misrepresentation as to any article listed in Exhibit C.

(2) For any distributor (a) to sell any fluid milk in a territory which within one year last past has been covered by him in any capacity for another distributor or (b) to cause to be sold through an agent or employee fluid milk in any territory which such agent or employee has within one year last past covered in any capacity for another distributor or (c) to hire an employee while he is in the employ of another distributor.

(3) For any distributor to use in the course of his business any bottle, can, or case, the title to which is vested in another person, firm, or corporation. This provision shall not be construed to apply to stores or to persons reselling for consumption on the premises where sold.



APPENDIX III FOR LICENSE FOR MILK - CHICAGO MILK SHED

AMENDMENT OF MARKETING AGREEMENT FOR MILK - CHICAGO MILK SHED

1. The parties to this Amendment of the Marketing Agreement for Milk-Chicago Milk Shed are the contracting producers, the contracting distributors, and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended

- (1) to establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period; the base period in the case of all agricultural commodities except tobacco being the pre-war period, August 1909 - July 1914, and in the case of tobacco, the base period being the post-war period, August 1919 - July 1920.
- (2) to approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and
- (3) to protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period August 1909 - July 1914; and

WHEREAS, it is understood that to effectuate such declared policy, the contracting producers shall receive a fair proportion of the financial benefits resulting to the contracting distributors from this Amendment to the said Marketing Agreement for Milk - Chicago Milk Shed and acts done pursuant thereto until parity is achieved for the contracting producers, and that subject to the foregoing, at all times, efforts will be made by the contracting distributors to yield to the consumers a fair proportion of such financial benefits and savings; and

WHEREAS, pursuant to the Act, the parties hereto, for the purposes of correcting the conditions now obtaining the marketing of fluid milk in the Chicago Metropolitan Milk Area, desire to amend the "Marketing Agreement for Milk - Chicago Milk Shed", approved and executed by the Secretary of Agriculture July 28, 1933, in the manner herein set forth, NOW, THEREFORE, the parties hereto agree as follows:

1. That the aforesaid Marketing Agreement for Milk - Chicago Milk Shed shall be amended by striking out all of Exhibit A, all of Exhibit C, and all of Exhibit D thereof, and by inserting in lieu thereof, Amended Exhibit A,

Amended Exhibit C, and Amended Exhibit D, all of which are attached hereto and made a part hereof.

2. The Exhibits A, C, and D, as contained in said Marketing Agreement for Milk - Chicago Milk Shed shall cease to be effective on and after the effective date of this Amendment.

3. This Amendment of the Marketing Agreement for Milk - Chicago Milk Shed shall become effective at such time as the Secretary may declare above his signature attached hereto.

4. The provisions of the aforesaid Marketing Agreement except as amended by this Amendment shall continue to be in full force and effect.

IN WITNESS WHEREOF the contracting producers and the contracting distributors, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.

Bowman Dairy Co. by T. H. Kullman V: ~~President~~ Attest: J. A. Bowman, Asst. Secy.  
Borden's Farm Products Co. of Illinois. By Charles J. Wieland, President  
Attest: T. C. Whyte, Asst. Secy.

Wieland Dairy Co. By Charles J. Wieland, Pres. Attest: W. A. Baird, Secy.

Sidney Wanzer & Sons by H. Stanley Wanzer, VP-Attest: Sidney Wanzer, Secy.

Western Dairy Co. by M. S. Dick, Pres. Attest: Chas. Silvenstein, Secy.

Capitol Dairy Co. By H. Freed, Pres. Attest: M. A. Jason, Secy.

United Dairy Co. By H. R. Glick, Pres. Attest: N. Goldman, Secy.

Hunding Dairy Co. By B. M. Hunding, Pres. Attest: Wm. H. Hunding, Secy.

Union Dairy Co. By John Lane, Pres. Attest: F. L. Flannigan, Secy.

Dixie Dairy Co. (Signature on following page)

Natoma Farm By E. A. Almacker, Treasurer Attest: E. H. Berndt, Director

Clover Leaf Dairy By M. M. Duchich, Pres. Attest: S. T. Martin, Secy.

International Dairy Co. By Alois Janaten, Pres. Attest: L. J. Janaten, Secy.

Yore Bros. Dairy Co. Thos. F. Yore, Pres. Attest: R. I. Yore, Secy.

Lake County Dairy Co. (Signature on following page)

Brown Dairy Products Co. By W. G. Brown, Pres. Attest: W. G. Brown, Secy.

Model Dairy Co. By Lewis M. Leven, Mgr. Attest: James Modak, Secy.

Union Grove Creamery Co. By Sonin Somusen, Pres. Attest: Somn Somusen

Frank Sefeit, President of Sefeit Dairy Co.

Polonja Dairy Co. By M. A. Csuchowski, President

Cleaving Dairy Co. By O. A. Ipsen, Secretary.

Joseph Wercleg Dairy Co. by Joseph Wercleg, Secy.

F. Mimann Dairy Company, Frank C. Mimann, Jr., Secy.

Peter Brucer's Dairy by Charles Brucer, Secy.

Hedline Dairy by Eric E. Hedlin, Secy.

Lake Shore Dairy by Clarence E. Clmbos, Secy. (or Amboz)

Green Meadow Dairy Co. by Wm. Robloff, Secy.

Kulig Dairy by Casimir S. Kulig, Secy.

Mid-City Dairy Co. by G. T. Sellar, Secy.

Austin Dairy Co. by W. F. Holleman, Secy.

Royal Dairy Co. by J. Peatscher, Secy.

C. A. Wetter Dairy by C. A. Wetter, Secy.

Crawford Dairy by Stanley Rakowski, Secy.



Siacokus Dairy Co. by Gus C. Manos, Secy.  
Sunset Dairy Co. by A. E. Erickson, Secy.  
Pure Farm Products Co. by E. Gale, Mgr.  
Charles Klotz Dairy by Charles Klotz, Secy.  
Willow Farms Products by Geo. J. Rcheka, Secy.  
J. Mehlsen Dairy by John Mehlsen  
Boyda Dairy Co. by T. Jasinski  
Kauba Bros Dairy by Charles J. Kauba  
McVeigh Dairy Co. by John K. McVeigh  
Progress Dairy Co. by Fr. Orlenski  
Theo. Renz & Sons Co.- Geo. Renz, V.P. Wm. E. Renz, Secy.  
Quigley Dairy by Wm. Quigley, Secy.  
Lake Zurich Milk Co. E. Soderstrom, Secy., Daniel McGuire, Pres.  
Beloit Dairy Co. S. D. McGuire, Pres., Daniel McGuire, Secy.  
Glenview Dairy Co. by N. A. Nelson, Pres.  
Chicago Pure Milk Co. J. Prusinski, Pres. Anna Pursinski, Secy.  
Plymouth Dairy Co. Charles Perksen, President-Secretary.  
Dahlheim Dairy Co. W. Dahleim, Secy.  
Jersey Dairy, By Ernest Steinbrewer, Secy.  
Geyers Dairy By Robert Geyer, Pres.  
Hillside Dairy by M. E. Malone, Secy.  
Bakers Dairy by C. E. Baker, President  
Downers Grove Sanitary Dairt by W. H. Lane, President.  
Hinsdale Dairy By Fred Rath, Pres.  
Maplebrook Farm by W. H. Impitz, Pres.  
Peter Wolf, Louibard, Ill.  
LaGrange Dairy by H. A. Cronk, Pres.  
Forest Park Dairy by Carl Lafgrair, Pres.  
Pleasant View Farm Products by Louis Koenig, Pres.  
Tri-City Dairy by R. E. Schmidt, Pres.  
Mandel Bros. Dairy by Harvey Mandel, Pres.  
Natomn Farm by E. A. Amacker, Treas.  
Ratkun Farm Products Co. by W. Harry Glaser, Secy.  
West Suburban Dairies by Clarence  
Markl Dairy by Ferd. C. Marks, Pres.  
Tousley Dairy Co. by S. G. Tousley, Pres.  
Rosedale Dairy Co. by Ralph C. Malow, V. Pres.  
John P. Parker  
Brookfield Dairy by Joseph A. Harazin, Pres.  
Clover Seat Sanitary Dairy by James Krench, Pres.  
Brookfield Dairy, Brookfield, Ill. by Jos. A. Harazen, Pres.  
Elmhurst Cloverleaf Dairy Co. by Herbert L. Heminare, Secy.-Treas.  
Clover Leaf Dairy Co. by H. H. Duchich, Pres. Attest S. T. Martin, Secy.  
Blue Ribbon Dairy Co. by Fred F. Schultz, Pres. Attest: C. W. Scherschel  
Lake View Dairy by A. C. Erlandson, Attest: Ralph Crisman  
Haxton Pure Milk Co., Hobard, Ind. (No one in)  
Prairie View Dairy Co. by Worman Allen: Attest Victoria Brernaski.  
Glen Park Dairy Co. by Max Ziricks Attest: P. W. Scherschel  
Green Meadow Dairy Co. by James G. Fanta Attest: C. M. Fanta  
Dairy Products by Grady Aaron Attest: L. D. Orunger  
Senchak Dairy Products (Didn't call)  
Gary Milk Co. by Paul Sibossi Attest: P. Matthew Enslaw  
Morfis Dairy Co. B. Pappas Attest: Tom Mornchron

Dixie Dairy Co. by C. B. Eskilson Attest: E. T. Eskilson, Act. Secy.  
Lake County Dairy Co. M. M. Duchick, VP. Attest: S. T. Martin, Secy.

Jersey Maid Dairy Co. by Louis N. Karras Attest: George Coilambakis  
North Shore Dairy by Frank J. Kaiser  
A. L. Brumund Co., Inc., Grace A. Brumund, Pres., Frank H. Santer, Secy.  
Callahan Dairy Co., George M. Anderson, Pres., Lorene Rudolph, Secy.  
Maple Grove Dairy - By William Pepper (Nto incorporated)  
West End Dairy (not Incorporated) Peter Strzyz  
Rouse Bros. Dairy (Not incorporated) By Bert Rouse  
Coyle Bros. 3527 Vernon Ave., Chicago - By Eugene Coyle  
Pure Milk Ass'n., H. A. Pfister, Pres., D. N. Gayer, Secy.

WHEREAS, it appears, after due consideration, that the aforesaid marketing Agreement, as amended, will tend to effectuate the policy of Congress set forth in Section 2 of the Act in that such marketing agreement, as amended, will:

(1) establish and maintain such balance between the production of milk in the Chicago Metropolitan Area and the consumption of such milk and its products in the Chicago Metropolitan Area and such marketing conditions therefor as will reestablish prices to the producers thereof at a level that will give such agricultural commodity a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of such agricultural commodity in the base period as defined in Section 2 of the Act; and

(2) approach such equality of purchasing power by gradual correction of the present inequalities herein at as rapid a rate as is possible in view of current consumptive demand in domestic and foreign markets; and

(3) to protect the consumers' interest by retaining the production of such agricultural commodity at such level as will not increase the percentage of the consumers' retail cost for such agricultural commodity or product derived therefrom which was returned to the farmers above the percentage which was returned to the farmers in the pre-war period August 1909 - July 1914.

NOW, THEREFORE, I, HENRY A. WALLACE, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations therein contained, and not otherwise, do hereby execute this Amendment amending the "Marketing Agreement for Milk - Chicago Milk Shed", heretofore duly executed by me, under my hand and the official seal of the Department of Agriculture in the City of Washington, District of Columbia, on this 30 day of October, 1933; and pursuant to the provisions thereof, I declare this Amendment to be effective on and after 12:01 a.m. central standard time, November 3, 1933.

(s) H. A. WALLACE

Secretary of Agriculture



EXHIBIT "A"

PRICES TO BE PAID PRODUCERS AND EQUALIZATION POOL

1. Definitions. As used in this Exhibit, the following words and phrases shall mean:

(a) The words "producers" and "distributors" include both contracting producers and contracting distributors as defined in the Agreement and also producers and distributors as defined in the license issued by the Secretary of even date herewith.

(b) Sales Milk is that milk delivered by producers to distributors and used by distributors as Class 1 Milk and Class 2 Milk, both as herein defined.

(c) Surplus Milk means all milk delivered by producers to distributors other than sales milk.

(d) Established Base is that quantity of milk allocated to each producer in accordance with the rules for control of basis production set forth in Exhibit B.

(e) Delivered Base is that quantity of milk delivered by any producer to any distributor which is not in excess of the established base of such producer.

(f) Adjusted Base means that portion of the delivered base of any producer adjusted in the manner hereinafter provided in this Exhibit "A".

(g) Class 1 Milk means all milk sold by distributors for consumption as milk in the Chicago Metropolitan area.

(h) Class 2 Milk means all milk used by distributors to produce the cream sold by distributors for consumption as cream in the Chicago Metropolitan area.

11. Cost of Milk to Distributors

1. The following prices are f.o.b. distributor's country plants, platform or loading stations, for milk of 3.5 percent butterfat content.

Class 1. The price of Class 1 milk to be paid by the distributor shall be \$2.10 per hundred weight; subject to a discount of 23 cents per hundredweight for all milk sold to the charities named in paragraph 14 of Exhibit C.

Class 2. The price for Class 2 milk to be paid by the distributor shall be \$1.45 per hundred weight.

Surplus Milk. The price of Surplus Milk per hundred weight shall be 3 cents, plus 3 1/2 times the average price in the Chicago market, for the

calendar month during which the milk is delivered, of 92-score creamery butter sold at wholesale.

2. In order to equalize between distributors on account of difference in quantities of milk used by distributors as Class 1 milk and Class 2 milk respectively, there shall be an adjustment through the Equalization Pool, hereinafter provided for, as follows:

(a) On or before the 10th day of each calendar month, each distributor shall report to the Auditor of the Equalization Pool the total quantities sold or used by such distributor during the preceding calendar month as Class 1 Milk and Class 2 Milk respectively and the established base and actual deliveries of each producer supplying him during the preceding calendar month.

(b) The Auditor shall establish the weighted price of sales milk for each distributor by: (1) multiplying the total quantity of Class 1 Milk sold by such distributor during the previous month by the Class 1 price; (2) by multiplying the total quantity of Class 2 Milk used by such distributor during the previous month by the Class 2 price; (3) adding the two resulting products together and (4) dividing the sum thereof by the total number of pounds of Sales Milk sold or used by such distributor during the previous month. The resulting figure will be the weighted price at which such distributor shall account to the Equalization Pool for total quantities of Sales Milk sold or used by such distributor during the current month.

(c) The Auditor shall then compute a blended price for the entire market by: (1) multiplying the total quantity duly reported as sold by distributors during the previous month as Class 1 Milk by the Class 1 price; (2) multiplying the total quantity duly reported as used by all distributors during the previous month as Class 2 Milk by the Class 2 price, (3) adding the two resulting products together and (4) dividing the sum thereof by the total quantity of Sales Milk duly reported as sold or used by distributors during the previous month. The resulting figure will be the blended price for the entire market for Sales Milk for the current month.

(d) Each distributor whose weighted price for the current month shall exceed the blended price for the entire market for the current month, both as hereinbefore determined, shall pay into the Equalization Pool an amount per hundredweight equal to the difference between the weighted price of such distributor for Sales Milk and the blended price multiplied by the total hundredweight of Sales Milk sold or used by such distributor.

(e) Each distributor whose weighted price for the current month is less than the blended price for the entire market for the current month, both as hereinbefore determined, shall be entitled to receive from the Equalization Pool an amount per hundredweight equal to the difference between the blended price and the weighted price of such distributor multiplied by the total hundredweight of Sales Milk sold or used by such distributor.



III.

Prices to Producers.

In order to equalize prices to be paid each producer for his deliveries of milk, with reference to the total quantities of Sales Milk used or sold by distributors in comparison to total established bases, there shall be an adjustment through the Equalization Pool hereinafter provided for, as follows:

(a) The Auditor of the Equalization Pool shall compute the total reported quantities of Sales Milk for the previous month and the total of the established bases for said previous month, of producers supplying such reporting distributors, and shall divide such total of quantities of Sales Milk by such total of established bases. The result will be a percentage which is to be applied against the several established bases of all producers for the current month as provided in the next paragraph of this subdivision.

(b) The Auditor shall report to every distributor the percentage arrived at as provided in the preceding paragraph. Every distributor shall thereupon pay to each of the producers supplying him, the blended price as established in the preceding subdivision of this Exhibit "A" on that percentage of the established base of each such producer resulting from the application of the foregoing percentage to such established base; but in the case of any producer whose delivered base is less than such percentage of his established base, payment to such producer shall be made on the delivered base. The adjusted base of each producer for the current month shall therefore be either his delivered base or the foregoing percentage of his established base, whichever shall be the lower.

(c) If in the case of any distributor, the number of pounds of Sales Milk delivered to him be less than the adjusted base of all the producers delivering Sales Milk to him (due, in any instance, to the delivered base being less than the foregoing percentage of established bases) such distributor shall pay into the Equalization Pool the difference between the blended price for the entire market per cwt. and the surplus price per cwt., multiplied by the amount of such deficiency in quantities per cwt. The amount so paid by all such distributors shall be held in the Equalization Pool, as a Special Reserve Fund, to be disposed of as provided in Subdivision IV of this Exhibit.

(d) In the case of any distributor whose payments to producers plus his total payment into said Special Reserve Fund is less than the amount which he owes for Sales Milk, as hereinbefore set forth, he shall pay such difference into the Equalization Pool. The payments to be made by distributors as provided in this paragraph and in the preceding paragraph shall be made on the same date herein provided for payment to producers.

(e) As soon as reasonably practicable the Auditor shall distribute monthly the payments, if any, received by him pursuant to the preceding paragraph among those distributors, whose actual payments to producers, plus payments into the Special Reserve Fund, are in excess of the amount which such distributors are accountable for at the blended price for Sales Milk. The payments, received by the Auditor under the preceding paragraph shall be paid to such distributors pro rata in accordance with such excess payments made by each such distributor.

IV.

Special Reserve Fund

There shall first be charged against the Special Reserve Fund, the cost of operation of the Equalization Pool, and if there be a balance after deduction of such cost of operation, it shall be used as follows: If any distributor to whom payments are due from the Equalization Pool, has not received the same out of payments due to the Equalization Pool as provided in the preceding subdivision, then such distributor shall receive pro rata payment out of the Special Reserve Fund to the extent necessary to make up the full amount to which he may be entitled. Whenever the accumulated balance in the Special Reserve Fund shall, in the opinion of Milk Industry Board, be sufficient to constitute an adequate reserve for the purposes herein set forth, Milk Industry Board may, in its discretion, distribute to producers in whole or in part, any moneys paid into the Special Reserve Fund in excess of such adequate reserve. Such distribution may be made from month to month, in an equitable manner in accordance with the adjusted bases of all producers in the market during the month in which such payments may be made.

V.

Administration of the Equalization Pool

The Agency provided for in Section II of this Agreement shall be known as the Milk Industry Board, which may be a corporation. Said Milk Industry Board shall select the Auditor (who shall be a licensed public accountant) to operate on its behalf the Equalization Pool. Payments made into the Equalization Pool as provided herein shall be made to Milk Industry Board. Milk Industry Board shall be authorized to provide for reasonable compensation to the Auditor, and to incur such other expenses as Milk Industry Board may deem necessary for the proper conduct of said Equalization Pool. All such expenses and compensation shall be deemed to be the cost of operation as used herein.

VI.

Additional Adjustments

In addition to the foregoing payments to producers in respect of the adjusted bases of each producer, every distributor shall make the following additional payments or be entitled to make the following deductions as the case may be.

(a) If any producer has delivered to any distributor milk having an average butterfat content for such month other than 3.5 percent, such distributor shall pay to each such producer a butterfat differential of 4 cents per hundred pounds for 1/10th of 1 percent average butterfat content above 3.5 percent, or shall be entitled to deduct a butterfat differential of 4 cents per hundred pounds for each 1/10th of 1 percent butterfat content below 3.5 percent.

(b) If any producer has delivered milk to a distributor at a country plant, platform, or loading station, located more than 70 miles from the City Hall in Chicago, such distributor shall be entitled to make a deduction from the blended price in respect to Sales Milk so delivered on the following basis: 1¢ per hundred weight for each 10 miles or part thereof in excess of 70 miles, but not in excess of 100 miles from the City Hall in Chicago; and an additional



1 cent per hundred for each 15 miles or part thereof, in excess of 100 miles from the City Hall in Chicago.

(c) If any producer has made deliveries of milk in any month to any distributor in excess of the adjusted base of such producer for such month, the distributor shall pay for such milk delivered in excess of adjusted base, the surplus price therefor as hereinabove set forth.

VII.

Miscellaneous Provision

1. Every distributor purchasing any milk from producers shall have contracts or other arrangements for the purchase of milk from sufficient individual producers having established bases so that his aggregate purchases shall result in such distributor purchasing daily, if tendered, a quantity of milk sufficient to meet his daily sales of Class 1 Milk, and his daily requirements of milk for sale as cream up to 35% of his sales of Class 1 milk.

2. Any distributor who is complying with provisions of the preceding paragraph may purchase milk or cream for the purpose of sale for consumption as milk or cream in the Chicago Metropolitan area from producers other than those with established bases, but such purchases shall be made at a price which will secure such producers of such milk, whether or not said milk be purchased in the form of milk or cream, a price per hundredweight equivalent to the Class 1 or Class 2 price herein set forth, according to use. A monthly report of any such purchases by distributors shall be made to the Milk Industry Board, and the Milk Industry Board shall be authorized to exclude the quantities thus purchased and the purchase price therefor from the computations employed in calculating the Equalization Pool.

3. Any producer electing to retain on his farm the excess of his production over his established base, instead of delivering the same to the distributor to whom he is delivering his base milk, shall, except as to the amount consumed on his own farm, separate such excess into cream and skim milk, the cream to be sold for manufacturing purposes, and the skim milk to be retained on his farm.

4. For the purposes of controlling production and making supply contracts, the Auditor shall furnish to the Pure Milk Association a duplicate of his report to each individual distributor and of the whole market equalizing operation. Each distributor shall furnish to the Pure Milk Association a duplicate of his report to the Auditor. Such information shall be treated as confidential by the Pure Milk Association.

5. The reports and figures of the Auditor shall be final and conclusive and no claim shall be maintained against Milk Industry Board or any member thereof on account of any alleged discrepancy in said figures or reports.

6. All milk delivered in any month shall be paid for not later than the 15th of the following month.

7. The Milk Industry Board shall have the right to make such additional rules and regulations for the equitable operation of the Equalization Pool as it may deem advisable, it being understood that the purpose and intent of the Equalization Pool is that the gross cost to the distributor for Sales Milk, during any month, after the Auditor of the Equalization Pool has made the necessary adjustments as provided in this exhibit, shall be the prices set forth in this exhibit (subject to the adjustments provided in Subdivision 6 of this exhibit) for the quantity sold or used as Sales Milk.

EXHIBIT C. PRICE SCHEDULE FOR CONTRACTING DISTRIBUTORS' SALES

(a) Sales of the following articles in the Chicago metropolitan area made by contracting distributors shall be at the prices hereinafter in this exhibit set forth. Sales of the following articles in bottles shall be made only in bottles of the sizes specified, and, where a butterfat content is specified, only at the specified percentage.

(b) It shall not be deemed a violation of this Agreement to add to the selling price of any article or articles hereinafter in this exhibit specified any sales or occupational taxes imposed by the laws of any State, if permitted by such laws; but any such additions shall be uniform as to all contracting distributors in accordance with such regulations as the Secretary may prescribe not in conflict with local law.

1. WHOLESALE PRICE SCHEDULE

This schedule shall apply to sales of the following articles for resale except that it shall not apply to sales to stores.

1. Milk, bulk.---

32 cents per gallon in full 8-gallon or 10-gallon cans.

34 cents per gallon in split cans.

Where one purchaser buys a total supply of 8 gallons or more in any one day, even though it is necessary to make several deliveries at different places or at one place at different times throughout the day, he will be entitled to the 32 cent price. For example: 5 stops 5 gallons each is 32 cents per gallon--5 stops 1 gallon each is 34 cents.

2. Milk, bottle.---

9-1/2 cents, quarts.

6 cents, pints.

3-1/2 cents, 1/2 pints.

4-1/2 cents, 1/3 quarts.

3. Buttermilk, bottle.---

9-1/2 cents, quarts.

3-1/2 cents, 1/2 pints.

4-1/2 cents, 1/2 quarts.

4. Buttermilk, bulk.---

32 cents per gallon in full 8-gallon cans.

34 cents per gallon in split cans.

5. Chocolate or cocoa drink, bottle.---

14-1/2 cents, quarts.

4 cents, 1/2 pints.

5 cents, 1/3 quarts.

6. Cream or soured cream, bulk.--

5-1/2 cents a point in quantities of 8 gallons or over.  
6 cents a point in quantities of less than 8 gallons.

7. Cream, bottle.--

If butterfat content is 18 percent, 35 cents; quarts.  
If butterfat content is 20 percent, 38 cents; quarts.  
If butterfat content is 22 percent, 41 cents; quarts.  
If butterfat content is 30 percent, 53 cents; quarts.  
If butterfat content is 36 percent, 62 cents; quarts.

II. PRICE SCHEDULE TO STORES

This schedule shall apply to sales of the following articles to stores:

8. Milk, bottle.--

9-1/2 cents, quarts.  
6 cents, pints.

9. Buttermilk, bottle.--

9-1/2 cents, quarts.

10. Chocolate or cocoa drink, bottle.--

7-1/2 cents, pints.

11. Cream, bottle.--

13-1/2 cents, one-half pints, table cream.  
7-1/2 cents, gills, table cream.  
18-1/2 cents, one-half pints, whipping cream.

12. Cottage cheese.--

12-1/2 cents per 12-ounce package.

13. Soured cream, bottle.--

If butterfat content is 18 percent or over--  
35 cents, quarts.  
18 cents, pints.  
9 cents, one-half pints.

III. RETAIL PRICE SCHEDULE

This schedule shall apply to sales of the following articles at retail:

(Sales of milk and/or cream over the counter shall be considered to be retail sales) --



11 cents, quarts, except that if sale is made upon the order of any one of the following relief agencies the price shall be the wholesale price per quart of bottled milk, plus tax, if any: Illinois Emergency Relief Commission, Jewish Charities, Catholic Charities, United Charities, Township Trustees of Lake County, Ind.  
7 cents, pints,  
4 cents, one-half pints.

15. Special or premium whole milk, bottle.--

Not less than 14 nor more than 16 cents, quarts.  
9 cents, pints.

16. Buttermilk, bottle.--

11 cents, quarts.  
7 cents, pints.

17. Chocolate or cocoa drink, bottle.--

16 cents, quarts.  
9 cents, pints.  
5 cents, one-half pints.

18. Cream, bottle.--

55 cents, quarts, table cream.  
15 cents, one-half pints, table cream.  
9 cents, gills, table cream.  
20 cents, one-half pints, whipping cream.

19. Cottage Cheese.--

14 cents per 12-ounce package.

20. Soured cream, bottle.--

If butterfat content is 18 percent or over--  
42 cents, quarts.  
23 cents, pints.  
12 cents, one-half pints.

EXHIBIT D

RULES OF FAIR PRACTICES

The following practices are considered unfair and shall not be engaged in by contracting distributors or by their officers, employees or agents:

(1) Any method or device whereby fluid milk is sold or offered for sale at a price less than stated in the agreement, whether by any discount, rebate, free service, merchandise, advertising allowance, credit for bulk fluid milk returned, loans or credits outside of the usual course of business or other valuable consideration or as combined price for such milk together with another commodity sold or offered for sale, whether separately or otherwise, or whereby a subsidy is given for either business or information or assistance in procuring business; or whereby business is obtained, or sought to be obtained, by misrepresentation as to any article listed in Exhibit C.

(2) For any contracting distributor (a) to sell any fluid milk in a territory which within one year last past has been covered by him in any capacity for another distributor or (b) to cause to be sold through an agent or employee fluid milk in any territory which such agent or employee has within one year last past covered in any capacity for another distributor or (c) to hire an employee while he is in the employ of another distributor.

(3) For any contracting distributor to use in the course of his business any bottle, can, or case, the title to which is vested in another person, firm, or corporation. This provision shall not be construed to apply to stores or to persons reselling for consumption on the premises where sold.

AMENDMENT OF LICENSE FOR MILK - CHICAGO MILK SHED

WHEREAS, it is provided by Section 8 of the Act, as follows:

"Section 8. In order to effectuate the declared policy the Secretary of Agriculture shall have power --

"(3) To issue licenses permitting processors, associations of producers and others to engage in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, or any competing commodity or product thereof, Such licenses shall be subject to such terms and conditions not in conflict with existing acts of Congress or regulations pursuant thereto as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy and the restoration of normal economic conditions in the marketing of such commodities or products thereof and the financing thereof \*\*\*\*\*

"(4) To require any licensee under this section to furnish such reports as to quantities of agricultural commodities or products thereof bought and sold and the prices thereof, and as to trade practices and charges and to keep such systems of accounts as may be necessary for the purpose of part 2 of this title": and

WHEREAS, the Secretary has determined that it is necessary to modify the terms and conditions of the "License for Milk - Chicago Milk Shed", effective August 1, 1933, as amended effective November 3, 1933, in order that such terms and conditions may be such as shall meet conditions now obtaining in the distribution of fluid milk in the Chicago Metropolitan Area.

NOW, THEREFORE, the Secretary of Agriculture, acting under the authority vested in him as aforesaid:

Hereby amends and modifies the terms and conditions of the aforesaid "License for Milk - Chicago Milk Shed" as follows:

1. The aforesaid "License for Milk - Chicago Milk Shed" shall be amended by striking out all of paragraph numbered 18 of Exhibit C, and inserting in lieu thereof a new paragraph numbered 18 reading as follows:

"18 Cream, bottle

55 cents, quarts, table cream  
15 cents, one-half pints, table cream  
9 cents, gills, table cream  
20 cents, one-half pints, whipping cream  
35 cents, quarts, 18% cream"

2. This "Amendment of the License for Milk - Chicago Milk Shed" shall become effective at such time as the Secretary may declare above his signature attached hereto.

3. The provisions of the aforesaid "License for Milk - Chicago Milk Shed," except as amended by this Amendment, shall continue to be in full force and effect.

IN WITNESS WHEREOF, I, Henry A. Wallace, Secretary of Agriculture, of the United States, do hereby execute this "Amendment of License for Milk - Chicago Milk Shed," in the City of Washington, District of Columbia, on this 17th day of November, 1933, and pursuant to the provisions hereof, declare the provisions of said "Amendment to License for Milk - Chicago Milk Shed" to be effective on and after 12:01 A. M. Eastern Standard Time, November 21, 1933.

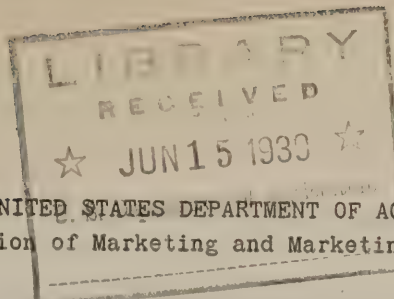
(s) H. A. WALLACE

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Secretary of Agriculture







Notice of hearing signed by  
the Secretary of Agriculture,  
June 9, 1939.

UNITED STATES DEPARTMENT OF AGRICULTURE  
Division of Marketing and Marketing Agreements

PROPOSED MARKETING AGREEMENT AND PROPOSED ORDER REGULATING THE HANDLING  
OF MILK IN THE CHICAGO, ILLINOIS, MARKETING AREA, UPON WHICH THE  
SECRETARY OF AGRICULTURE HAS ISSUED NOTICE OF HEARING UNDER  
THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937.

The Pure Milk Association has presented to the Secretary a petition for a public hearing to consider the execution of a marketing agreement and the issuance of an order regulating the handling of milk in the Chicago, Illinois, marketing area. The proposed provisions of the marketing program set forth below have been suggested by the above association of producers.

The Secretary has also received a petition for a public hearing from the Chicago Milk Producers Council, Inc. Such organization, with which the Pure Milk Association is affiliated, is said to represent approximately 90 percent of the milk producers supplying the Chicago market.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture, after due notice of and opportunity for hearing, to enter into marketing agreements with, and to issue orders applicable to processors, producers, associations of producers, and others engaged in the handling of milk and its products in the current of interstate or foreign commerce, and authorizes the Secretary of Agriculture to call hearings whenever he has reason to believe that the issuance of an order will tend to effectuate the declared policy of the act. In simple terms, as applied to milk, the declared policy of the act is to establish and maintain such orderly marketing conditions for milk in interstate commerce as will establish prices for milk at a level which will give that milk a purchasing power with respect to articles that farmers buy equivalent to its purchasing power in a prescribed base period, after taking into account the available supplies of feed, the prices of feed, and other economic conditions affecting the demand for and the supply of milk.

In response to the petitions of the above-named producers' organizations, the Secretary of Agriculture has issued notice of a hearing to be held at the Stevens Hotel, 720 South Wabash Avenue, Chicago, Illinois, beginning at 10:00 a.m., central daylight saving time, June 26, 1939. At the above time and place opportunity will be given interested parties to present evidence with respect to each of the proposed provisions, which are to be considered as applying alike to a marketing agreement and an order. It is suggested that the interests of each party will best be served by a concise presentation of the relevant facts in his possession which he feels the Secretary of Agriculture should have in the record of the public hearing upon which to base a decision regarding each of the proposed provisions, reserving his arguments for filing in written form at the close of the hearing. Handlers will have the opportunity to sign a marketing agreement embodying the same terms as any order which may be issued based upon the evidence adduced at this hearing. If, upon the facts in the record, the Secretary of Agriculture decides that he should issue an order, its contents will be made known to producers and their approval or disapproval of the order determined.

The publication of the proposed marketing agreement and proposed order in the form set forth below is for the convenience of interested parties and is not to be considered as in any way signifying its approval by the Secretary of Agriculture.

Section 1. Definitions. (a) Terms. The following terms as used herein shall have the following meanings:

(1) The term "Chicago, Illinois, marketing area," hereinafter called the "marketing area," means the territory within the corporate limits of Chicago, Illinois, and all that territory lying within the boundaries of Cook County and Du Page County in the State of Illinois; the townships of Wheatland, Du Page, Plainfield, Lockport, Homer, Troy, New Lenox, Frankfort, and Crete in Will County in the State of Illinois; and the townships of St. John, Ross, North Calumet, and Hobart in Lake County in the State of Indiana.

(2) The term "person" means any individual, partnership, corporation, association, or any other business unit.

(3) The term "producer" means any person, irrespective of whether any such person is also a handler, who produces milk in conformity with, or subject to, the health requirements applicable for milk to be sold for consumption as milk in the marketing area, and whose milk is received by a handler for shipment to or for sale in the marketing area: Provided, That if such producer has not regularly distributed milk in the marketing area or has not sold milk to a handler for a period of 30 days prior to the effective date hereof but begins the regular delivery of milk to a handler, he shall be known as a "new producer" for a period beginning with the date of his first delivery of milk and including the first 2 full calendar months following the date of such first delivery to a handler, after which he shall be known as a "producer."

(4) The term "handler" means any person, who on his own behalf or on behalf of others, purchases or receives milk from producers, new producers, associations of producers, or other handlers, all or a portion of which milk is shipped to or sold in the marketing area in the form of fluid milk, and who on his own behalf or on behalf of others engages in such handling of milk as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce in milk and its products. This definition shall be deemed to include a cooperative association which causes milk to be delivered from a producer or a new producer to a handler, or causes milk of a producer or a new producer to be delivered to a nonhandler's plant from which no milk is sold in the marketing area, for the account of such cooperative association and for which such cooperative association collects payments.

(5) The term "market administrator" means the agency which is described in Sec. 2 for the administration hereof.

(6) The term "delivery period" means the current marketing period from the first to the last day of each month, both inclusive.

(7) The term "cooperative association" means any cooperative association of producers which the Secretary determines (a) to have its entire activities under the control of its members, and (b) to have and to be exercising full authority in the sale of milk of its members.



(8) The term "act" means Public Act No. 10, 73d Congress, as amended and as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937.

(9) The term "Secretary" means the Secretary of Agriculture of the United States.

Sec. 2 Market administrator. (a) Designation. The agency for the administration hereof shall be a market administrator who shall be a person selected by the Secretary. Such person shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

(b) Powers. The market administrator shall:

(1) Administer the terms and provisions hereof; and

(2) Report to the Secretary complaints of violation of the provisions hereof.

(c) Duties. The market administrator shall:

(1) Within 45 days following the date upon which he enters upon his duties, execute and deliver to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.

(2) Pay, out of the funds provided by Sec. 9, the cost of his bond, his own compensation, and all other expenses necessarily incurred in the maintenance and functioning of his office.

(3) Keep such books and records as will clearly reflect the transactions provided for herein, and surrender the same to his successor or to such other person as the Secretary may designate;

(4) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within 2 days after the date upon which he is required to perform such acts, has not (a) made reports pursuant to Sec. 3 or (b) made payments pursuant to Sec. 8.

(5) Promptly verify the information contained in the reports submitted by handlers.

Sec. 3 Reports of handlers. (a) Submission of reports. Each handler shall report to the market administrator, in the detail and form prescribed by the market administrator, as follows:

(1) On or before the 7th day after the end of each delivery period (a) the receipts of milk at each plant from producers and new producers, (b) the receipts of milk at each plant from handlers, (c) the receipts at each plant of the milk, if any, produced by him, (d) the utilization of all receipts of milk for the delivery period, and (e) the name and address of each new producer.

(2) Within 10 days after the market administrator's request with respect to any producer and new producer for whom such information is not in the files of the market administrator and with respect to a period or periods of time designated by the market



administrator (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered, and (d) the number of days upon which deliveries were made.

(3) On or before the 20th day after the end of each delivery period, his producer pay roll, which shall show for each producer and new producer (a) the total delivery of milk with the average butterfat test thereof, (b) the net amount of the payment to such producer and new producer made pursuant to Sec. 8, and (c) the deductions and charges made by the handler.

(4) On or before the 7th day after the end of each delivery period, the sale or disposition of Class I milk outside the marketing area, pursuant to Sec. 5(b) as follows: (a) the amount and the utilization of such milk, (b) the butterfat test thereof, (c) the date of such sale or disposition, (d) the point of use, (e) the plant from which such milk is shipped, and (f) such other information with respect thereto as the market administrator may require.

(b) Verification of reports. Each handler shall make available to the market administrator or his agent (1) those records which are necessary for the verification of the information contained in the reports submitted in accordance with this section and (2) those facilities necessary for the checking of the weighing and sampling of milk and for determining the utilization of milk being made by the handler.

Sec. 4 Classification of milk. (a) Class definitions. Milk received by each handler, including milk produced by him, if any, shall be classified by the market administrator as follows:

(1) Class I milk shall be all milk disposed of in the form of milk, whether plain or flavored, and all milk not accounted for as Class II milk or Class III milk.

(2) Class II milk shall be all milk used to produce cream which is disposed of in the form of cream (for consumption as cream), ice cream, and ice cream mix.

(3) Class III milk shall be all milk used to produce a milk product other than one of those specified in Class II, and all milk accounted for as actual plant shrinkage but not to exceed 2 percent of the total receipts of milk.

(b) Interhandler and nonhandler sales. Milk sold or delivered by a handler to another handler, and milk sold by a handler to a person who is not a handler but who distributes milk or manufactures milk products shall be classified as Class I milk: Provided, That if the selling handler on or before the 7th day after the end of the delivery period furnishes to the market administrator a statement which is signed by the buyer and seller that such milk was disposed of as Class II milk or Class III milk, such milk shall be classified accordingly, subject to verification by the market administrator.

Sec. 5 Minimum prices. (a) Class prices. Except as set forth in paragraph (b) of this section, each handler shall pay, f.o.b. any plant located not more than 70 miles from the marketing area, at the time and in the manner set forth in Sec. 8 not less than the following prices for milk received at such handler's plant:

Class I milk - The price per hundredweight which shall be calculated by the market administrator as follows: add 80 cents to the price per hundredweight for milk of 3.5 percent butterfat content set forth in the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or any amendment issued thereto: Provided, That in no event shall the price for Class I milk during any delivery period be less than \$1.80 per hundredweight or more than \$2.20 per hundredweight. In the event the said marketing agreement for evaporated milk be terminated, the price for Class I milk shall be calculated by the market administrator as follows: multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market for the delivery period during which such milk was received, plus 30 percent thereof, plus 80 cents: Provided, That in no event shall the price for Class I milk during any delivery period be less than \$1.80 per hundredweight or more than \$2.20 per hundredweight.

Class II milk - The price per hundredweight which shall be calculated by the market administrator as follows: divide by 33 the weighted average wholesale price per 40-quart can of bottling quality cream in the Chicago market, as reported by handlers and other persons receiving such cream for the delivery period during which such milk is delivered, multiply the result thereof by 3.5, subtract therefrom 25 cents per hundredweight, and add cents (an amount equivalent to the value of skim milk).

Class III milk - The price per hundredweight which shall be calculated by the market administrator as follows: multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture, for the delivery period during which such milk is delivered, and add 10 percent.

(b) Sales outside the marketing area. The price to be paid by a handler for Class I milk disposed of outside the marketing area, in lieu of the price otherwise applicable pursuant to this section, shall be such price as the market administrator ascertains is being paid by processors in the market where such milk is disposed of for milk of equivalent use.

Sec. 6 Handlers who are also producers. (a) Application of provisions. No provision hereof shall apply to a handler who is also a producer and who purchases no milk from producers or an association of producers, except that such handler shall make reports to the market administrator at such time and in such manner as the market administrator may request.

(b) Milk purchased from producers. In the case of a handler who is also a producer and who purchased milk from producers, the market administrator shall, before making the computations set forth in Sec. 7, (a) exclude from such handler's Class I milk up to but not exceeding 90 percent of the quantity of milk produced and sold by him, (b) exclude the milk purchased by him in each class from other handlers, and (c) exclude from his remaining Class III milk the balance of the milk produced and sold by him.

Sec. 7 Determination of uniform prices to producers. (a) Computation of value of milk for each handler. For each delivery period the market administrator shall compute, subject to the provisions of Sec. 6, the value of milk disposed of by each handler which was received from producers and new producers by (a) multiplying the quantity of such milk in each class by the price applicable pursuant to Sec. 5, and (b) adding together the resulting values of each class.



(b) Computation and announcement of uniform prices. The market administrator shall compute and announce the uniform prices per hundredweight of milk delivered during each delivery period in the following manner:

(1) Combine into one total the respective values of milk, computed pursuant to paragraph (a) of this section, for each handler who made the report as required by Sec. 3(a) for such delivery period and who made the payments required by Sec. 8 for milk received during the delivery period next preceding but one;

(2) Subtract the total amount to be paid to producers pursuant to Sec. 8(a)(2);

(3) Divide by the total quantity of milk which is included in these computations except that milk required to be paid for pursuant to Sec. 8(a)(2);

(4) Subtract not less than 4 cents nor more than 5 cents for the purpose of retaining a cash balance in connection with the payments set forth in Sec. 8(a)(3);

(5) Add an amount which will prorate, pursuant to paragraph (c) of this section, any cash balance available; and

(6) On or before the 12th day after the end of each delivery period mail to all handlers and publicly announce (a) such of these computations as do not disclose information confidential pursuant to the act, (b) the blended price per hundredweight which is the result of these computations, and (c) the price of Class I milk, Class II milk, and Class III milk.

(c) Proration of cash balance. For each delivery period the market administrator shall prorate, by an appropriate addition pursuant to paragraph (b) of this section, the cash balance, if any, in his custody from payments made by handlers for milk received during the delivery period next preceding but one, to meet obligations arising out of Sec. 8(a)(3).

Sec. 8 Payments for milk. (a) Time and method of payment. On or before the 25th day after the end of each delivery period, each handler shall make payment, subject to the butterfat differential set forth in paragraph (c) of this section, for the total value of milk received during such delivery period as required to be computed pursuant to Sec. 7(a), as follows:

(1) To each producer, except as set forth in subparagraph (2) of this paragraph, at the blended price per hundredweight computed pursuant to Sec. 7(b), subject to the differentials set forth in subparagraph (1) of paragraph (d) of this section, for the quantity of milk delivered by such producer;

(2) To any producer, who did not regularly sell milk for a period of 30 days prior to the effective date hereof to a handler or to persons within the marketing area, at the Class III price, in effect for the plant at which such producer delivered milk, for all the milk delivered by such producer during the period beginning with the first regular delivery of such producer and continuing until the end of 2 full calendar months following the date of such first delivery to a handler.

(3) To producers, through the market administrator, by paying to or receiving from the market administrator, as the case may be, the amount by which the payments made pursuant

to subparagraphs (1) and (2) of this paragraph are less than, or exceed, the value of milk as required to be computed for such handler pursuant to Sec. 7(a), as shown in a statement rendered by the market administrator on or before the 20th day after the end of such delivery period.

(b) Errors in payments. Errors in making any of the payments prescribed in this section shall be corrected not later than the date for making payments next following the determination of such errors.

(c) Butterfat differential. If any producer has delivered to any handler during any delivery period milk having an average butterfat content other than 3.5 percent, such handler shall, in making the payments prescribed by subparagraphs (1) and (2) of paragraph (a) of this section to such producer, add for each one-tenth of 1 percent of average butterfat content above 3.5 percent or deduct for each one-tenth of 1 percent of average butterfat content below 3.5 percent 4 cents per hundredweight.

(d) Location adjustments in making payments to producers. (1) In making the payments to producers pursuant to subparagraphs (1) and (2) of paragraph (a) of this section, handlers may deduct, with respect to all milk received by a handler from a producer at a country plant located more than 70 miles from the marketing area, 2 cents per hundredweight for each 15 miles or part thereof in excess of 70 miles from the marketing area.

Sec. 9. Expense of administration. (a) Payments by handlers. As his pro-rata share of the expense of the administration hereof each handler, except as set forth in Sec. 6(a), shall, on or before the 25th day after the end of each delivery period, pay to the market administrator a sum not exceeding 2 cents per hundredweight with respect to all milk actually delivered to him during such delivery period by producers or produced by him, the exact sum to be determined by the market administrator, subject to review by the Secretary: Provided, That each handler, which is a cooperative association of producers, shall pay such pro-rata share of expense of administration only on that milk actually received from producers and new producers at a plant of such association.

(b) Suits by market administrator. The market administrator may maintain a suit in his own name against any handler for the collection of such handler's pro-rata share of expense set forth in this section.

Sec. 10 Marketing services. (a) Marketing service deduction. In making payments to producers and new producers pursuant to Sec. 8 each handler shall, with respect to all milk delivered by each producer and new producer during each delivery period, except as set forth in paragraph (b) of this section, deduct 3 cents per hundredweight, or such lesser amount as the market administrator shall determine to be sufficient, and shall, on or before the 25th day after the end of such delivery period, pay such deductions to the market administrator. Such moneys shall be expended by the market administrator only in providing for market information to, and for verification of weights, samples, and tests of milk delivered by, such producers and new producers. The market administrator may contract with an association or associations of producers for the furnishing of the whole or any part of such services to, or with respect to the milk delivered by, such producers and new producers.

(b) Marketing service deductions with respect to members of a producers' cooperative association. In the case of producers and new producers for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section each



handler shall, in lieu of the deductions specified in paragraph (a) of this section, make such deductions from payments made pursuant to Sec. 8 as may be authorized by such producers and new producers, and pay over on or before the 25th day after the end of each delivery period such deduction to the associations rendering such service of which such producers and new producers are members.

N.B. In addition to the foregoing, the following provisions are proposed to be included in a marketing agreement.

Sec. 11 Effective time, suspension, or termination of marketing agreement. (a) Effective time. The provisions hereof, or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended, or terminated, pursuant to paragraph (b) of this section.

(b) Suspension or termination of marketing agreement. The Secretary may suspend or terminate this agreement or any provision hereof whenever he finds that this agreement or any provision hereof obstructs or does not tend to effectuate the declared policy of the act. This agreement shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

(c) Continuing power and duty of the market administrator. If upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder, the final accrual of ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: Provided, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(1) The market administrator, or such other person as the Secretary may designate, shall (a) continue in such capacity until removed by the Secretary, (b) from time to time account for all receipts and disbursements and when so directed by the Secretary deliver all funds on hand, together with the books and records of the market administrator or such person, to such person as the Secretary shall direct, and (c) if so directed by the Secretary execute such assignments or other instruments necessary to appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

(d) Liquidation after suspension or termination. Upon the suspension or termination of any or all provisions hereof the market administrator, or such person as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

Sec. 12 Liability. (a) Liability of handlers. The liability of the handlers hereunder is several and not joint, and no handler shall be liable for the default of any other handler.

Sec. 13 Counterparts and additional parties. (a) Counterparts of marketing agreement. This agreement may be executed in multiple counterparts and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument as if all such signatures were obtained in one original.

(b) Additional parties to marketing agreement. After this agreement first takes effect any handler may become a party to this agreement if a counterpart thereof is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting party at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party.



UNITED STATES DEPARTMENT OF AGRICULTURE  
DIVISION OF MARKETING AND MARKETING AGREEMENTS  
WASHINGTON, D. C.

NOTICE OF A PUBLIC HEARING ON A PROPOSED MARKETING AGREEMENT AND ORDER REGULATING THE HANDLING OF MILK IN THE CHICAGO, ILLINOIS, MARKETING AREA, PREPARED AND PROPOSED BY THE PURE MILK ASSOCIATION AND THE CHICAGO MILK PRODUCERS COUNCIL, INC., UPON WHICH SAID ORGANIZATIONS HAVE REQUESTED THE SECRETARY OF AGRICULTURE TO HOLD A HEARING UNDER THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937.

WHEREAS, the Pure Milk Association and the Chicago Milk Producers Council, Inc., have requested the Secretary of Agriculture to hold a public hearing on a proposed marketing agreement and order prepared and proposed by such organizations and designed to regulate such handling of milk in the Chicago, Illinois, marketing area as is in the current of interstate commerce or which directly burdens, obstructs or affects interstate commerce; and

WHEREAS, the Secretary of Agriculture has reason to believe that the execution of a marketing agreement or the issuance of an order will tend to effectuate the declared policy of Public Act No. 10, 73rd Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, with respect to such handling of milk in the Chicago, Illinois, marketing area as is in the current of interstate commerce or which directly burdens, obstructs or affects interstate commerce; and

WHEREAS, under said act notice of and opportunity for a hearing are required prior to the execution of a marketing agreement or the issuance of an order, and the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for such notice;

NOW, THEREFORE, pursuant to said act and said general regulations, notice is hereby given of a public hearing to be held at the Stevens Hotel, 720 South Michigan Avenue, Chicago, Illinois, beginning June 26, 1939, at 10:00 a.m., c.d.s.t., on the aforementioned marketing agreement and order, prepared and proposed by the aforementioned organizations and designed to regulate such handling of milk in the Chicago, Illinois, marketing area as is in the current of interstate commerce or which directly burdens, obstructs or affects interstate commerce.

At this public hearing, representatives of the Secretary will receive factual evidence (1) as to whether marketing conditions for such handling of milk in the Chicago, Illinois, marketing area as is in the current of interstate commerce or which directly burdens, obstructs or affects interstate commerce are so disorderly as to necessitate regulation of the handling of such milk in order that the declared policy of the act may be effectuated, and (2) as to the specific provisions which a marketing agreement or order should contain.



The proposed marketing agreement and order provide, among other things, for: (a) selection of a market administrator, (b) classification of milk, (c) minimum prices, (d) reports of handlers, (e) payments to producers through the use of a market wide pool, (f) deductions for marketing services, and (g) expenses of administration.

Copies of the proposed marketing agreement or order may be obtained from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, in Room 0310 South Building, or may be there inspected.

/s/ H. A. WALLACE  
Secretary of Agriculture

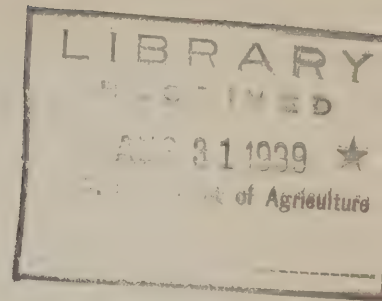
Dated: June 9, 1939

Washington, D. C.

1,94  
Chicago  
Aug 18, 1939

UNITED STATES DEPARTMENT OF AGRICULTURE

DIVISION OF MARKETING AND MARKETING AGREEMENTS



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TENTATIVELY APPROVED MARKETING AGREEMENT REGULATING  
THE HANDLING OF MILK IN THE CHICAGO, ILLINOIS, MAR-  
KETING AREA

---

I hereby certify that this document is a true and correct copy of the said mar-  
keting agreement as tentatively approved by the Secretary of Agriculture August 18, 1939.

Hearing Clerk,

U. S. Department of Agriculture.

Dated: August 18, 1939.

Washington, D. C.

INSTRUCTIONS FOR SIGNING MARKETING AGREEMENTS

(Please read carefully before signing)

Handlers of milk who wish to enter into the Marketing Agreement Regulating the Handling of Milk in the Chicago, Illinois, Marketing Area with the Secretary of Agriculture should fill in and sign in accordance with the following instructions:

1. The agreement should be signed in the space provided for the signer's signature and address in Sec. 15 just below the section headed "Signature of parties." The type of business organization which you represent, whether corporation, partnership, or individual, should be indicated with your signature. If your business is organized as a corporation you should be sure to impress the corporate seal at the left of your signature.

2. The record of milk handled during the month of April 1939 should be properly certified as indicated on page 13.

3. The authorization to correct typographical errors on page 14 should be signed.

4. If your business is a corporation the board of directors should pass a resolution, in the form attached to the agreement on page 14 authorizing the signing of this agreement.

5. In the case of partnerships and corporations the agreement should be signed by persons authorized to represent the same, such authorization to be indicated.

When the above procedure has been completed the agreement should be returned to Wm. B. Connor, Room 708, 506 South Wabash Avenue, Chicago, Illinois.

TENTATIVELY APPROVED MARKETING AGREEMENT  
REGULATING THE HANDLING OF MILK IN THE  
CHICAGO, ILLINOIS, MARKETING AREA

Whereas, under the terms and provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), the Secretary of Agriculture of the United States is empowered, after due notice of, and opportunity for, hearing, to enter into marketing agreements with processors, producers, associations of producers, and others engaged in such handling of any agricultural commodity or product thereof as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in such commodity or product thereof; and

Whereas, the Secretary, having reason to believe that the execution of a marketing agreement and the issuance of an order with respect to the handling of milk in the Chicago, Illinois, marketing area would tend to effectuate the declared policy of said act, gave, on the 9th day of June 1939, notice of a public hearing to be held at Chicago, Illinois, which hearing was held on the 26th, 27th, 28th, 29th, and 30th days of June 1939 on a proposed marketing agreement and a proposed order, and at said time and place conducted a public hearing at which all interested parties were afforded an opportunity to be heard on the proposed marketing agreement and the proposed order; and

Whereas, the parties hereto, in order to effectuate the declared policy of the said act, desire to enter into this marketing agreement,

NOW, THEREFORE, the parties signatory hereto (said parties being the handlers and the Secretary) agree:

Section 1 Definitions. (a) Terms. The following terms as used herein shall have the following meanings:

(1) The term "Chicago, Illinois, marketing area," hereinafter called the "Marketing area," means the territory within the corporate limits of the cities of Chicago, Evanston, Wilmette, Kenilworth, Winnetka, and Glencoe, all in the State of Illinois.

(2) The term "person" means any individual, partnership, corporation, association, or any other business unit.

(3) The term "producer" means any person who produces milk which is received by a handler at a plant which is approved by any health authority for the receiving of milk for sale in the marketing area, or who produces milk which, upon proof furnished satisfactory to the market administrator, is qualified to be received at such plant.

(4) The term "handler" means any person who, on his own behalf or on behalf of others, purchases or receives milk from producers, associations of producers, or other handlers, all, or a portion, of which milk is disposed of as milk or cream in the marketing area; and who, on his own behalf or on behalf of others engages in such handling of



milk, or cream therefrom, as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce in milk and its products. This definition shall be deemed to include any cooperative association or handler with respect to the milk of any producer which it causes to be delivered to a plant from which no milk or cream is disposed of in the marketing area, for the account of such cooperative association or handler, and for which such cooperative association or handler collects payments.

(5) The term "market administrator" means the agency which is described in Sec. 2 for the administration hereof.

(6) The term "delivery period" means the current marketing period from the first to the last day of each month, both inclusive.

(7) The term "cooperative association" means any cooperative association of producers which the Secretary determines (a) to have its entire activities under the control of its members, and (b) to have and to be exercising full authority in the sale of milk of its members.

(8) The term "act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937.

(9) The term "Secretary" means the Secretary of Agriculture of the United States.

Sec. 2 Market administrator. (a) Designation. The agency for the administration hereof shall be a market administrator who shall be a person selected by the Secretary. Such person shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

(b) Powers. The market administrator shall:

(1) Administer the terms and provisions hereof; and

(2) Report to the Secretary complaints of violation of the provisions hereof.

(c) Duties. The market administrator shall:

(1) Within 45 days following the date upon which he enters upon his duties, execute and deliver to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.

(2) Pay, out of the funds provided by Sec. 9, the cost of his bond, his own compensation, and all other expenses necessarily incurred in the maintenance and functioning of his office.

(3) Keep such books and records as will clearly reflect the transactions provided for herein, and surrender the same to his successor or to such other person as the Secretary may designate.

(4) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within 4 days after the date upon which he is required to perform such acts, has not (a) made reports pursuant to Sec. 3 or (b) made payments pursuant to Sec. 8.

(5) Promptly verify the information contained in the reports submitted by handlers.

Sec. 3 Reports of handlers. (a) Submission of reports. Each handler shall report to the market administrator, in the detail and on forms prescribed by the market administrator, as follows:

(1) On or before the 7th day after the end of each delivery period (a) the receipts of milk at each plant from producers, (b) the receipts of milk at each plant from handlers, (c) the receipts at each plant of the milk, if any, produced by him, (d) the utilization of all receipts of milk for the delivery period, and (e) the name and address of each new producer.

(2) Within 10 days after the market administrator's request with respect to any producer for whom such information is not in the files of the market administrator and with respect to a period or periods of time designated by the market administrator (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered, and (d) the number of days upon which deliveries were made.

(3) On or before the 20th day after the end of each delivery period, his producer pay roll, which shall show for each producer (a) the total delivery of milk with the average butterfat test thereof, (b) the net amount of the payment to such producer made pursuant to Sec. 8, and (c) any deductions and charges made by the handler.

(4) On or before the 7th day after the end of each delivery period, the sale or disposition of milk outside the marketing area, pursuant to Sec. 5(c) as follows:

a) the amount and the utilization of such milk, (b) the butterfat test thereof, (c) the date of such sale or disposition, (d) the point of use, (3) the plant from which such milk is shipped, and (f) such other information with respect thereto as the market administrator may require.

(b) Verification of reports. Each handler shall make available to the market administrator or his agent (1) those records which are necessary for the verification of the information contained in the reports submitted in accordance with this section, and (2) those facilities necessary for the checking of the weighing and sampling of milk and for determining the utilization of milk by the handler.

Sec. 4 Classification of milk. (a) Basis of classification. All milk purchased or received by a handler from producers, associations of producers, and other handlers, including milk produced by him, if any, shall be classified by the market administrator in the classes set forth in paragraph (b) of this section.

(b) Classes of utilization. The classes of utilization of milk shall be as follows:

(1) Class I milk shall be all milk disposed of in the form of fluid milk, and all milk not accounted for as Class II milk or Class III milk.

(2) Class II milk shall be all milk, except skimmed milk, disposed of in the form of flavored milk and flavored milk drinks, all milk used to produce cottage cheese, and all milk used to produce cream which is disposed of in the form of cream (for consumption as cream), ice cream, and ice cream mix.



(3) Class III milk shall be all milk used to produce a milk product other than one of those specified in Class II, and all milk accounted for as actual plant shrinkage, but not to exceed 2 percent of the total receipts of milk from producers.

(b) Interhandler and nonhandler sales. Milk disposed of by a handler to another handler, and milk disposed of by a handler to a person who is not a handler but who distributes milk or manufactures milk products shall be classified as Class I milk: Provided, That if the selling handler on or before the 7th day after the end of the delivery period furnishes to the market administrator a statement which is signed by the buyer and seller that such milk was disposed of as Class II milk or Class III milk, such milk shall be classified accordingly, subject to verification by the market administrator.

Sec. 5 Minimum prices. (a) Class prices. Except as set forth in paragraph (c) of this section and subject to the location adjustment set forth in paragraph (b) of this section, each handler shall pay, at the time and in the manner set forth in Sec. 8, for milk purchased or received from producers by such handler at any plant, platform, or loading station located not more than 70 miles from the City Hall in Chicago, not less than the following prices:

Class I milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content computed pursuant to the formula as set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any, 70 cents per hundredweight for the months of July, August, September, October, and November; 55 cents per hundredweight for the months of December, January, February, March, and April; and 45 cents per hundredweight for the months of May and June: Provided, That with respect to Class I milk disposed of under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief, the price shall be \$1.395 per hundredweight.

Class II milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content computed pursuant to the formula as set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any, 32 cents per hundredweight for the months of July, August, September, October, and November; 28 cents per hundredweight for the months of December, January, February, March, and April; and 25 cents per hundredweight for the months of May and June.

Class III milk - Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 20 percent; Provided, That in the event Class III milk is used to produce evaporated or condensed milk handlers shall pay a price per hundredweight computed pursuant to the formula set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any.

(b) Location adjustments to handlers. With respect to milk purchased or received from producers at a plant, platform, or loading station located more than 70 miles from the City Hall in Chicago which is classified as Class I milk and as Class II milk (and transported to any point within such 70-mile zone), there shall be deducted 2 cents per hundredweight and 1/2 cent per hundredweight, respectively, for each additional 15 miles or part thereof that such plant, platform, or loading station is located in

excess of 70 miles from the City Hall in Chicago. There shall be no location adjustment to handlers with respect to Class III milk. For the purposes of this paragraph Class I milk shall be considered to be that milk received from producers at plants, platforms, or loading stations located nearest the marketing area from which whole milk is shipped to the marketing area.

(c) Sales outside the marketing area. The price to be paid by a handler for Class I milk disposed of outside the marketing area, in lieu of the price otherwise applicable pursuant to this section, shall be the price, as ascertained by the market administrator, which is being paid, in the market where such milk is disposed of, for milk of equivalent use: Provided, That in the event such Class I milk is disposed of outside the 70-mile zone from a plant at which milk is received from producers and which is located more than 70 miles from the City Hall in Chicago, such price as ascertained by the market administrator shall be adjusted by an amount equal to the carload freight rate approved by the Interstate Commerce Commission for the movement of milk in 40-quart cans from the shipping point for the plant where such milk is received from producers to the railroad delivery point serving the market where such milk is utilized as Class I milk.

Sec. 6 Application of provisions. (a) Handlers who are also producers. (1) No provision hereof shall apply to a handler who is also a producer and who purchases or receives no milk from producers or an association of producers, except that such handler shall make reports to the market administrator at such time and in such manner as the market administrator may request.

(2) In the case of a handler who is also a producer and who purchases or receives milk from producers or an association of producers, the market administrator, before making the computations set forth in Section 7, shall (a) exclude the milk purchased or received by him in each class from other handlers, (b) exclude from his remaining Class I milk and Class II milk up to but not exceeding 95 percent of the quantity of milk produced and disposed of by him, and (c) exclude from his remaining Class III milk the balance of the milk produced and disposed of by him.

(3) The market administrator, in computing the value of milk for any handler pursuant to Sec. 7, shall consider as Class III milk any milk or cream received in bulk by such handler from a handler who distributes part of his own production. If the receiving handler disposes of such milk or cream for other than Class III purposes, the market administrator shall add to the total value computed pursuant to Sec. 7 the difference between (a) the value of such milk or cream at the Class III price and (b) the value according to its actual usage.

Sec. 7 Determination of uniform prices to producers. (a) Computation of value of milk for each handler. For each delivery period the market administrator shall compute, subject to the provisions of Sec. 6, the value of milk for each handler which was purchased or received from producers by (a) multiplying the quantity of such milk in each class by the price applicable pursuant to Sec. 5, and (b) adding together the resulting values of each class.

(b) Computation and announcement of uniform prices. The market administrator shall compute and announce the uniform price per hundredweight of milk for each delivery period in the following manner:



(1) Combine into one total the respective values of milk computed pursuant to paragraph (a) of this section, for each handler who made the report pursuant to Sec. 3(a) for such delivery period;

(2) Add the amount of the location differentials applicable pursuant to Sec. 8(g);

(3) Add the amount of cash balance in the producer-settlement fund;

(4) Divide by the total quantity of milk represented in the computations pursuant to paragraph (a) of this section;

(5) Subtract not less than 4 cents nor more than 5 cents for the purpose of retaining a cash balance in the producer-settlement fund; and

(6) On or before the 12th day after the end of each delivery period mail to all handlers and publicly announce (a) such of these computations as do not disclose information confidential pursuant to the act, (b) the blended price per hundredweight which is the result of these computations, and (c) the price of Class I milk, Class II milk, and Class III milk used in such computations.

Sec. 8 Payment for milk. (a) Time and method of payment. On or before the 15th day after the end of each delivery period each handler shall pay each producer, for milk purchased or received during the delivery period, an amount of money representing not less than the total value of such milk, at the uniform price per hundredweight, computed pursuant to Sec. 7(b) and subject to the butterfat differential and location adjustments set forth in this section.

(b) Producer-settlement fund. The market administrator shall establish and maintain a separate fund known as "the producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to paragraphs (c) and (e) and out of which he shall make all payments to handlers pursuant to paragraphs (d) and (e) of this section.

(c) Payments to the producer-settlement fund. On or before the 14th day after the end of each delivery period each handler shall pay to the market administrator the amount by which the total value of the milk purchased or received by him from producers during the delivery period is greater than the amount obtained by multiplying the hundredweight of milk purchased and received from producers by the uniform price.

(d) Payments out of the producer-settlement fund. On or before the 15th day after the end of each delivery period, the market administrator shall pay to each handler for payment to producers the amount, if any, by which the total value of such milk purchased or received from producers by such handler is less than the amount obtained by multiplying the hundredweight of such milk purchased or received from producers by such handler by the uniform price. If at such time the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available. No handler who, on the 15th day after the end of each delivery period, has not received the balance of the payment due him from the market administrator shall be deemed to be in violation of paragraph (a) of this section if he reduces his payments to producers by not more than the amount of the reduction in payment from the producer-settlement fund.

(e) Adjustments of errors in payments. Whenever verification by the market administrator of reports or payments of any handler discloses errors made in payments to the producer-settlement fund pursuant to paragraph (c) of this section, the market administrator shall promptly bill such handler for any unpaid amount and such handler shall, within 5 days, make payment to the market administrator of the amount so billed. Whenever verification discloses that payment is due from the market administrator to any handler, pursuant to paragraph (d) of this section, the market administrator shall, within 5 days, make such payment to such handler. Whenever verification by the market administrator of the payment by a handler to any producer for milk purchased or received by such handler discloses payment to such producer of less than is required by this section, the handler shall make up such payment to the producer not later than the time of making payment to producers next following such disclosure.

(f) Butterfat differential. If any handler has purchased or received from any producer, during any delivery period, milk having an average butterfat content other than 3.5 percent, such handler, in making the payments pursuant to paragraph (a) of this section to such producer, shall add for each one-tenth of 1 percent of average butterfat content above 3.5 percent not less than, or shall deduct for each one-tenth of 1 percent of average butterfat content below 3.5 percent not more than 4 cents per hundredweight.

(g) Location adjustments to producers. In making payments to producers pursuant to paragraph (a) of this section, handlers shall deduct with respect to all milk purchased or received from producers at a country plant, platform, or loading station located more than 70 miles from the City Hall in Chicago, the amount specified as follows:

Within 70 to 85 miles	2 cents per hundredweight
Within 86 to 100 miles	4 cents per hundredweight
Within 101 to 115 miles	6 cents per hundredweight
Within 116 to 130 miles	8 cents per hundredweight
Within 131 to 145 miles	10 cents per hundredweight
Within 146 to 160 miles	12 cents per hundredweight
Within 161 to 175 miles	14 cents per hundredweight
For each 15 miles or part thereof beyond 176 miles from the City Hall of Chicago, an additional	1/2 cent per hundredweight

Sec. 9 Expense of administration. (a) Payments by handlers. As his pro-rata share of the expense of the administration hereof each handler, except those handlers exempt from the provisions hereof as set forth in Sec. 6(a), shall pay to the market administrator, on or before the 15th day after the end of each delivery period, a sum not exceeding 2 cents per hundredweight with respect to all milk purchased or received by him during such delivery period from producers, or produced by him, the exact sum to be determined by the market administrator, subject to review by the Secretary: Provided, That each handler which is a cooperative association shall pay such pro-rata share of expense of administration only on that milk of producers actually received at a plant of such cooperative association, or caused to be delivered by such cooperative association to a plant from which no milk or cream is disposed of in the marketing area.

(b) Suits by market administrator. The market administrator may maintain a suit in his own name against any handler for the collection of such handler's pro-rata share of expense set forth in this section.



Sec. 10 Marketing services. (a) Marketing service deduction. In making payments to producers pursuant to Sec. 8, each handler, with respect to all milk received from each producer during each delivery period, except as set forth in paragraph (b) of this section, shall deduct 3 cents per hundredweight, or such lesser amount as the market administrator shall determine to be sufficient, such determination to be subject to review by the Secretary, and shall, on or before the 15th day after the end of such delivery period, pay such deductions to the market administrator. Such moneys shall be expended by the market administrator for verification of weights, samples, and tests of milk received from such producers and in providing for market information to such producers. The market administrator may contract with an association or associations of producers for the furnishing of the whole or any part of such services to, or with respect to the milk received from, such producers.

(b) Marketing service deductions with respect to members of a producers' cooperative association. In the case of producers for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section each handler shall, in lieu of the deductions specified in paragraph (a) of this section, make such deductions from payments made pursuant to Sec. 8 as may be authorized by such producers, and pay over on or before the 15th day after the end of each delivery period such deductions to the associations rendering such service of which such producers are members.

Sec. 11 Market advisory committee. (a) Subsequent to the effective date hereof, the market administrator may select a representative committee of the industry for purposes (1) of recommendation of amendments to this order, and (2) for conference, counsel, and advice.

Sec. 12 Effective time, suspension, or termination of marketing agreement. (a) Effective time. The provisions hereof, or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended, or terminated, pursuant to paragraph (b) of this section.

(b) Suspension or termination of marketing agreement. The Secretary may suspend or terminate this agreement or any provision hereof whenever he finds that this agreement or any provision hereof obstructs or does not tend to effectuate the declared policy of the act. This agreement shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

(c) Continuing power and duty of the market administrator. If upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: Provided, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(1) The market administrator, or such other person as the Secretary may designate, shall (a) continue in such capacity until removed by the Secretary, (b) from time to time account for all receipts and disbursements, and when so directed by the Secretary deliver all funds on hand, together with the books and records of the market administrator or such person, to such person as the Secretary shall direct, and (c) if so directed by the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

(d) Liquidation after suspension or termination. Upon the suspension or termination of any or all provisions hereof the market administrator, or such person as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

Sec. 13 Liability. (a) Liability of handlers. The liability of the handlers hereunder is several and not joint, and no handler shall be liable for the default of any other handler.

Sec. 14 Counterparts and additional parties. (a) Counterparts of the marketing agreement. This agreement may be executed in multiple counterparts and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument as if all such signatures were obtained in one original.

(b) Additional parties to marketing agreement. After this agreement first takes effect any handler may become a party to this agreement if a counterpart thereof is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting party at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party.

Sec. 15 Signature of parties.

IN WITNESS WHEREOF, the contracting handlers, acting under the provisions of the act, for the purposes and subject to the limitations herein contained and not otherwise, have hereunto set their respective hands and seals.

\_\_\_\_\_  
Signature

By \_\_\_\_\_  
Name Title

Address \_\_\_\_\_

Attest \_\_\_\_\_

\_\_\_\_\_  
Date



RECORD OF MILK HANDLED  
DURING THE MONTH OF APRIL 1939

The undersigned certifies that to the best of his knowledge, as shown by his books and records, he handled during the month of April 1939 \_\_\_\_\_ hundredweight of milk covered by this agreement and marketed within the Chicago, Illinois, marketing area.

(SEAL)

\_\_\_\_\_  
Signed

By \_\_\_\_\_

\_\_\_\_\_, being duly sworn, deposes and says that he has read the foregoing statement by him subscribed and knows the contents thereof and that the same are true and correct to the best of his knowledge and belief.

\_\_\_\_\_  
Notary Public

AUTHORIZATION TO CORRECT TYPOGRAPHICAL  
ERRORS TO BE EXECUTED BY ALL SIGNERS

We, the undersigned, hereby authorize O. M. Reed to consent on our behalf to the correction of any typographical errors which may have been made in the marketing agreement, regulating the handling of milk in the Chicago, Illinois, marketing area.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Firm name

\_\_\_\_\_  
Name Title Seal  
(If corporation)

-----  
Corporation only  
CERTIFICATE OF RESOLUTION

At a duly convened meeting of the board of directors of

\_\_\_\_\_ held at \_\_\_\_\_

\_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 1939 the

the following resolution was adopted:

RESOLVED, that \_\_\_\_\_  
shall become a party to the marketing agreement regulating the handling of milk in the Chicago, Illinois, marketing area, as read and explained to the meeting, and it is further

RESOLVED, that \_\_\_\_\_ (title)

and \_\_\_\_\_ (title)  
be, and hereby are authorized and directed to sign, execute, and deliver a counterpart of said agreement attached hereto, to the Secretary of Agriculture, together with an authorization naming O. M. Reed to correct typographical errors.

I, \_\_\_\_\_, secretary of \_\_\_\_\_, do hereby certify that this is a true and correct copy of a resolution adopted at the above-named meeting, as said resolution appears in the minutes thereof.

\_\_\_\_\_  
Address of firm

\_\_\_\_\_  
SEAL

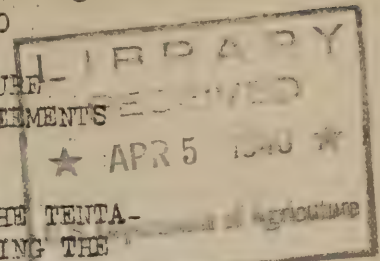
AND SEAL AT SIGNATURE LINE (Sec. 15) IN BODY OF AGREEMENT



1.94  
Chicago  
Docket No. A-130  
O-130

Notice of hearing signed by  
the Secretary of Agriculture  
March 14, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE  
DIVISION OF MARKETING AND MARKETING AGREEMENTS  
Washington, D. C.



PROPOSED AMENDMENT TO ORDER NO. 41 AND TO THE TENTATIVELY APPROVED MARKETING AGREEMENT REGULATING THE HANDLING OF MILK IN THE CHICAGO, ILLINOIS, MARKETING AREA, UPON WHICH THE SECRETARY OF AGRICULTURE HAS ISSUED NOTICE OF HEARING UNDER THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

Under the authority of the Agricultural Marketing Agreement Act of 1937, the Secretary of Agriculture made effective on September 1, 1939, Order No. 41, regulating the handling of milk in the Chicago, Illinois, marketing area, such Order No. 41 having been continuously in effect since that date. On August 18, 1939, the Secretary tentatively approved a marketing agreement regulating the handling of milk in the same manner and for the same area.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture, after due notice of, and opportunity for, hearing, to amend marketing agreements and orders as it becomes feasible in order to effectuate the purposes of the act and to make modifications warranted by changed marketing conditions or by the operating results of such agreements or orders.

Petitions have been received by the Secretary of Agriculture for a public hearing to be held with respect to certain amendments to said order and said tentatively approved marketing agreement. In response to said petitions the Secretary has issued notice of a public hearing to be held at the Stevens Hotel, Chicago, Illinois, beginning at 10:00 a.m. (c.s.t.) March 20, 1940.

At the above time and place opportunity will be given to all interested parties to present evidence with respect to each of the proposed amendments which are set forth below and as to other amendments dealing with the same subject matter which may be proposed in the course of the hearings. While the amendments are, for convenience, written with reference to the order, they are equally applicable to the same provisions in the tentatively approved marketing agreement. It is suggested that the interests of each party will be best served by a concise presentation of relevant facts in his possession, which he feels that the Secretary of Agriculture should have in the record of the public hearing, upon which to base a decision regarding each of the proposed amendments, reserving his arguments for filing in written form at the close of the hearing.

If, upon the facts in the record, the Secretary of Agriculture decides that amendments to said order should be issued, the content of the amendments will then be made known to producers and their approval or disapproval of the amendments determined. Handlers will have the opportunity to sign a marketing agreement embodying the same



terms as Order No. 41, with such amendments as may be determined as the result of this hearing.

The publication of the proposed amendments in the form set forth below is for the convenience of interested parties and is not to be considered as in any way signifying approval by the Secretary of Agriculture.

Proposed Amendments

1. Delete Sec. 941.1 (a)(1) and substitute therefor the following:

(1) The term "Chicago, Illinois, marketing area," hereinafter called the "marketing area" means the territory lying within the corporate limits of the cities of Chicago, Evanston, Wilmette, and Winnetka, and the territory lying within an area of 10 miles beyond the corporate limits of these cities.

2. Delete Sec. 941.1(a)(3) and substitute therefor the following:

(3) The term "producer" means any person who produces milk which, upon proof furnished satisfactory to the market administrator, is qualified to be received by a handler at a plant which is approved by any health authority for the receiving of milk for sale as milk in the marketing area: Provided, That if such person did not regularly distribute milk in the marketing area or dispose of milk to a handler or to persons within the marketing area during a period of 30 days prior to the effective date of this amendment, but thereafter begins the regular delivery of milk to a handler, he shall be known as a "new producer" for a period beginning with the date of his first delivery of milk to a handler and including the first 2 full calendar months of regular delivery following first delivery to a handler, after which he shall be known as a producer.

3. Delete Sec. 941.1(a)(4) and substitute therefor the following:

(4) The term "handler" means any person, who, on his own behalf or on behalf of others, purchases or receives milk or milk products from producers, associations of producers, or other handlers, all, or a portion, of which milk is disposed of as Class I milk or Class II milk in the marketing area; and who, on his own behalf or on behalf of others engages in such handling of milk, or cream therefrom, as is in the current of interstate commerce of which directly burdens, obstructs, or affects interstate commerce in milk and its products. This definition shall be deemed to include any person who receives milk from producers at a plant which is approved by any health authority for the receiving of milk for sale in the marketing area and any cooperative association or handler with respect to the milk of any producer which it causes to be delivered to a plant from which no milk or cream is disposed

of in the marketing area, for the account of such cooperative association or handler, and for which such cooperative association or handler collects payments.

4. Delete subparagraphs (1) and (4) of Sec. 941.3(a) and substitute therefor the following:

(1) On or before the 10th day after the end of each delivery period (a) the receipts of milk at each plant from producers, (b) the receipts of milk at each plant from handlers, (c) the receipts at each plant of the milk, if any, produced by him, (d) the utilization of all receipts of milk for the delivery period, and (e) the name and address of each new producer.

(4) On or before the 10th day after the end of such delivery period, the sale or disposition of milk outside the marketing area, pursuant to Sec. 941.5(c) as follows: (a) the amount and the utilization of such milk, (b) the butterfat test thereof, (c) the date of such sale or disposition, (d) the point of use, (e) the plant from which such milk is shipped, and (f) such other information with respect thereto as the market administrator may require.

5. Delete Sec. 941.4 and substitute therefor the following:

Sec. 941.4 Classification of milk. (a) Basis of classification. All milk purchased or received by a handler from producers, associations of producers, and other handlers, including milk produced by him, if any, shall be classified by the market administrator in the classes set forth in paragraph (b) of this section.

(b) Classes of utilization. The classes of utilization of milk shall be as follows:

(1) Class I milk shall be all milk disposed of in the form of fluid milk, excluding milk disposed of to baking, candy, and soup manufacturing establishments, but including bulk milk disposed of to restaurants, hotels, etc., and all milk not accounted for as Class II milk, Class III milk, and Class IV milk.

(2) Class II milk shall be all milk, except skim milk, disposed of in the form of flavored milk and flavored milk drinks, and all milk used to produce cream which is disposed of in the form of cream (for consumption as cream), creamed cottage cheese, creamed buttermilk, frozen cream, ice cream, and ice cream mix.

(3) Class III milk shall be all milk used to produce a milk product other than one of those specified in Class II and Class IV, including milk disposed of to baking, candy, and soup manufacturing establishments.

(4) Class IV milk shall be all milk used to produce butter and cheese, except cottage cheese, and all milk accounted for as actual



plant shrinkage, but plant shrinkage shall not exceed 2 percent of the total milk handled.

(c) Computation of milk in each class. For each delivery period, the market administrator shall compute for each handler the amount of milk in each class, as defined in paragraph (b) of this section, as follows:

(1) Determine the total pounds of milk (a) received from producers, (b) produced by him, if any, (c) received from other handlers, if any, and (d) add together the resulting amounts.

(2) Determine the total pounds of butterfat received as follows: (a) multiply the weight of the milk received from producers by its average butterfat test, (b) multiply the weight of the milk produced by him, if any, by its average butterfat test, (c) multiply the weight of the milk received from other handlers, if any, by its average butterfat test, and (d) add together the resulting amounts.

(3) Determine the total pounds of milk in Class I as follows: (a) convert to quarts the quantity of milk disposed of in the form of milk and multiply by 2.15, (b) multiply the result by the average butterfat test of such milk, and (c) if the quantity of butterfat so computed when added to the pounds of butterfat in Class II milk, Class III milk, and Class IV milk computed pursuant to subparagraphs (4), (5), and (6) of this paragraph is less than the total pounds of butterfat received, computed in accordance with subparagraph (2) of this paragraph, an amount equal to the difference shall be divided by 3.5 percent and added to the quantity of milk determined pursuant to (a) of this subparagraph.

(4) Determine the total pounds of milk in Class II as follows: (a) multiply the actual weight of each of the several products of Class II by its average butterfat test, (b) add together the resulting amounts, and (c) divide the result obtained in (b) of this subparagraph by 3.5 percent.

(5) Determine the total pounds of milk in Class III as follows: (a) multiply the actual weight of each of the several products of Class III by its average butterfat test, (b) add together the resulting amounts, and (c) divide the result obtained in (b) of this subparagraph by 3.5 percent.

(6) Determine the total pounds of milk in Class IV as follows: (a) multiply the actual weight of each of the several products of Class IV milk by its average butterfat test, (b) subtract the total pounds of butterfat in Class I milk, Class II milk, and Class III milk computed pursuant to subparagraphs (3)(b), (4)(b), and (5)(b) of this paragraph and the total pounds of butterfat computed pursuant to (a) of this subparagraph from the total pounds of butterfat computed pursuant to subparagraph (2) of this paragraph, which resulting quantity shall be allowed as plant shrinkage for the purposes of this

paragraph (but in no event shall such plant shrinkage allowance exceed 2 percent of the total receipts of butterfat from producers by the handler), (c) add together the resulting amounts, and (d) divide the result obtained in (c) of this subparagraph by 3.5 percent.

(7) Determine the classification of milk received from producers as follows:

(i) Subtract from the total pounds of milk in each class the total pounds of milk which were received from other handlers and used in such class.

(ii) In the case of a handler who also distributes milk of his own production, subtract from the total pounds of milk in each class a further amount as provided in Sec. 941.6(2).

(d) Reconciliation of utilization of milk by classes with receipts of milk from producers. (1) If the total utilization of milk in the various classes for any handler, as computed pursuant to paragraph (c) of this section, is less than the receipts of milk from producers, the market administrator shall increase the total pounds of milk in Class IV for such handler by an amount equal to the difference between the receipts of milk from producers and the total utilization of milk by classes for such handler.

(2) If the total utilization of milk in the various classes for any handler, as computed pursuant to paragraph (c) of this section, is greater than the receipts of milk from producers, the market administrator shall decrease the total pounds of milk in Class IV for such handler by an amount equal to the difference between the receipts of milk from producers and the total utilization of milk by classes for such handler.

(e) Interhandler and nonhandler sales. Milk disposed of by a handler to another handler, and milk disposed of by a handler to a person who is not a handler but who distributes milk or manufactures milk products, shall be classified as Class I milk: Provided, That if the selling handler on or before the 7th day after the end of the delivery period furnishes proof to the market administrator that such milk was disposed of as Class II milk, Class III milk, or Class IV milk, such milk shall be classified accordingly, subject to verification by the market administrator. In the event the purchasing handler's reported classification of milk is incorrect, when verified by the market administrator, the market administrator may make the necessary adjustments directly with the purchasing handler.

6. Another proposal to amend paragraph (b) of Sec. 941.4 has been presented to read as follows:

(b) Classes of utilization. The classes of utilization of milk shall be as follows:



(1) Class I milk shall be all milk disposed of in the form of fluid milk, and all milk not accounted for as Class II milk or Class III milk.

(2) Class II milk shall be all milk, except skimmed milk, disposed of in the form of flavored milk and flavored milk drinks, all milk used to produce cottage cheese, and all milk used to produce cream which is disposed of in the form of cream (for consumption as cream), ice cream, and ice cream mix.

(3) Class III milk shall be all milk, not accounted for in Class I or Class II, sold as milk, or used to produce a milk product other than one of those specified in Class II, and all milk accounted for as actual plant shrinkage, but not to exceed 2 percent of the total receipts of milk from producers.

7. Delete Sec. 941.5 and substitute therefor the following:

Sec. 941.5 Minimum prices. (a) Class prices. Except as set forth in paragraph (c) of this section and subject to the location adjustment set forth in paragraph (b) of this section, each handler shall pay, at the time and in the manner set forth in Sec. 941.8, for milk purchased or received from producers by such handler at any country plant, country platform, or country loading station located not more than 25 miles from the City Hall in Chicago, not less than the following prices:

(1) Class I milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content computed pursuant to the formulas set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any, 50 cents per hundredweight for the months of August, September, October, and November; 35 cents per hundredweight for the months of December, January, February, March, and April; and 25 cents per hundredweight for the months of May, June, and July: Provided, That with respect to Class I milk disposed of under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief, the price shall be not less than \$1.63 per hundredweight during the months of May and June and not less than \$1.75 per hundredweight during the months of July to April, both inclusive.

(2) Class II milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content computed pursuant to the formulas as set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any, 30 cents per hundredweight for the months of August, September, October, and November; 25 cents per hundredweight for the months of December, January, February, March, and April; and 20 cents per hundredweight for the months of May, June, and July.

(3) Class III milk - The price per hundredweight computed pursuant to the formula set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment issued thereto. In the event the said marketing agreement is suspended or terminated, the price for Class III milk shall be calculated by the market administrator as follows: Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 30 percent thereof.

(4) Class IV milk - Multiply by 3.5 percent the average price per pound of 92-score butter at wholesale in the Chicago market as reported by the United States Department of Agriculture for the delivery period during which such milk was received and add 10 percent.

(b) Location adjustments to handlers. With respect to milk purchased or received from producers at a country plant, country platform, or country loading station located not more than 25 miles by highway from the City Hall in Chicago, which is classified as Class I milk, there shall be deducted (a) 3 cents per hundredweight for each of the first 2 additional 15 miles or part thereof that such country plant, country platform, or country loading station is located in excess of 25 miles from the City Hall in Chicago; and (b) 1-1/2 cents per hundredweight for the third, fourth, and all subsequent 15 miles or part thereof that such country plant, country loading station, or country platform is located in excess of 25 miles from the City Hall in Chicago. For milk which is classified as Class II milk there shall be deducted 1/2 cent per hundredweight for each additional 15 miles or part thereof that such country plant, country platform, or country loading station is located in excess of 25 miles from the City Hall in Chicago. There shall be no location adjustments to handlers with respect to Class III and Class IV milk. For the purposes of this paragraph, Class I milk shall be considered to be that milk received from producers at plants, platforms, or loading stations located nearest to the marketing area from which whole milk is shipped to the marketing area.

(c) Sales outside the marketing area. The price to be paid by a handler for Class I milk and Class II milk disposed of outside the marketing area but inside the 70-mile zone, in lieu of the price otherwise applicable pursuant to this section, shall be adjusted by the market administrator by an amount equal to the difference in costs of such milk f.o.b. pasteurizing plant of the handler as compared to the costs f.o.b. pasteurizing plant of milk distributors in the outside market where such milk is disposed of for milk of equivalent use. In the event that Class I and Class II milk is disposed of outside the 70-mile zone the prices to be paid for such Class I and Class II milk shall be the prices as ascertained by the market administrator which were being paid in the market where such milk



was disposed of for milk of equivalent use, less amounts equal to the freight rate approved by the Interstate Commerce Commission for the movement of such product in 40-quart cans from the shipping point to said outside market.

8. Another proposal to amend Sec. 941.5 has been presented to read as follows:

Sec. 941.5 Minimum prices. (a) Class prices. Except as set forth in paragraph (c) of this section and subject to the location adjustment set forth in paragraph (b) of this section, each handler shall pay, at the time and in the manner set forth in Sec. 941.8, for milk purchased or received from producers by such handler at any plant, platform, or loading station located not more than 70 miles by rail from the City Hall in Chicago, not less than the following prices:

(1) Class I milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content computed pursuant to the formula as set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any, 65 cents per hundredweight for the months of July, August, September, October, November, and December; and 50 cents per hundredweight for the months of January, February, March, April, May, and June.

(2) Class II milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content computed pursuant to the formula as set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any, 35 cents per hundredweight for the months of July, August, September, October, November, and December; and 25 cents per hundredweight for the months of January, February, March, April, May, and June: Provided, That in the event any part of the milk received from producers during April, May, and June is used to produce frozen cream, the milk shall be priced at 14 cents below the prevailing Class II price upon presentation of satisfactory evidence that the product has been frozen for 5 days or more: and Provided further, That any milk used to produce fresh cream for immediate consumption for ice cream, or for ice cream mix, shall be priced at 7 cents below the prevailing Class II price.

(3) Class III milk - Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 20 percent when the dry milk price, as reported by the American Dry Milk Institute is 7-1/2 cents per pound or over; add 15 percent when the dry milk price is 6 cents to 7-1/2 cents per pound; and add 10 percent when the dry milk price is under 6 cents per pound: Provided, That in the event Class III milk is used to produce

evaporated or condensed milk handlers shall pay a price per hundredweight computed pursuant to the formula set forth in section 1 of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any.

(b) Location adjustments to handlers. With respect to milk purchased or received from producers at a plant, platform, or loading station located more than 70 miles by rail from the City Hall in Chicago, which is classified as Class I milk and as Class II milk (and transported to any point within such 70-mile zone), there shall be deducted 1-1/4 cents per hundredweight and 1/4 cent per hundredweight, respectively, for each additional 15 miles or part thereof that such plant, platform, or loading station is located in excess of 70 miles from the City Hall in Chicago. There shall be no location adjustment to handlers with respect to Class III milk. For the purposes of this paragraph Class I milk shall be considered to be that milk received from producers at plants, platforms, or loading stations located nearest the marketing area from which whole milk is shipped to the marketing area.

(c) Sales outside the marketing area. (1) The price to be paid by a handler for Class I milk disposed of outside the marketing area, in lieu of the price otherwise applicable pursuant to this section, shall be the price, as ascertained by the market administrator, which is being paid in the market where such milk is disposed of, for milk of equivalent use: Provided, That in the event such Class I milk is disposed of outside the 70-mile zone from a plant at which milk is received from producers and which is located more than 70 miles from the City Hall in Chicago, such price as ascertained by the market administrator shall be adjusted by an amount equal to the carload freight rate approved by the Interstate Commerce Commission for the movement of milk in 40-quart cans from the shipping point for the plant where such milk is received from producers to the railroad delivery point serving the market where such milk is utilized as Class I milk.

(2) The price to be paid by a handler for Class II milk disposed of as cream for consumption as cream, ice cream, or ice cream mix, from plants located outside the 70-mile zone to a point more than 100 miles from the city hall, shall require the handler to pay a producer price of 10 cents per hundredweight over the evaporated formula price.

(d) Market service payment. In the event that milk is transported from the initial pricing points at which milk is received from the producers to an evaporated plant, an allowance of 5 cents per hundredweight on the net quantity transported shall be permitted the handler: Provided, That the point of origin is outside the 70-mile zone.



9. Add the following as paragraph (b) of Sec. 941.6:

(b) Sales in excess of receipts of milk from producers. If the sales of milk in the various classes for any handler, after excluding purchases from other handlers and his own production, if any, exceed the receipts of milk from producers, the market administrator in computing the value of milk for such handler pursuant to Sec. 941.7 shall multiply the quantity of milk in each class by the price applicable pursuant to Sec. 941.5, and the difference between the handler's sales in the various classes and his receipts of milk from producers shall be credited to the handler at the Class IV price.

10. Delete Sec. 941.8(a) and substitute therefor the following:

(a) Time and method of payment. On or before the 5th day after the end of each delivery period each handler shall pay each producer an amount equal to one dollar per hundredweight for milk purchased or received during the delivery period; and on or before the 20th day after the end of each delivery period each handler shall pay each producer the balance due such producer for milk purchased or received during the delivery period at the uniform price per hundredweight computed pursuant to Sec. 941.7(b) and subject to the butterfat differential and location adjustments set forth in this section.

11. In Sec. 941.8(c), delete the phrase "14th day" and substitute therefor the phrase "17th day."

12. In Sec. 941.8(d), delete the phrase "15th day" wherever it appears and substitute therefor the phrase "13th day."

13. Delete Sec. 941.8(e) and substitute therefor the following:

(e) Adjustments of errors in payments. Whenever verification by the market administrator of reports or payments of any handler discloses errors made in payments to the producer-settlement fund pursuant to paragraph (d) of this section, the market administrator shall promptly bill such handler for any unpaid amount and such handler shall, within 5 days, make payment to the market administrator of the amount so billed. Whenever verification discloses the payment is due from the market administrator to any handler, pursuant to paragraph (e) of this section, the market administrator shall, within 5 days, make such payment to such handler. Whenever verification by the market administrator of the payment by such handler to any producer, for milk purchased or received by such handler, discloses payment to such producer of less than is required by this section, the handler shall make up such payment to the producer not later than the time of making payment to producers

next following such disclosure. In the event that a handler discovers an error in a report prior to verification by the market administrator, the handler shall adjust the error in his next monthly report, such adjustments being supported with full evidence of error.

14. Delete Sec. 941.8(f) and substitute therefor the following:

(f) Butterfat differential. If any handler has purchased or received from any producer, during any delivery period, milk having an average butterfat content other than 3.5 percent, such handler, in making the payments pursuant to paragraph (a) of this section to such producer, shall add for each one-tenth of 1 percent of average butterfat content above 3.5 percent not less than, or shall deduct for each one-tenth of 1 percent of average butterfat content below 3.5 percent not more than, one-tenth of the average price per pound of 92-score butter at wholesale in the Chicago market as reported by the United States Department of Agriculture for the delivery period during which such milk was delivered, plus 10 percent.

15. Delete Sec. 941.8(g) and substitute therefor the following:

(g) Location adjustments to producers. In making payments to producers pursuant to paragraph (a) of this section, handlers shall deduct with respect to all milk purchased or received from producers at a country plant, platform, or loading station located more than 70 miles by rail from the City Hall in Chicago, 1-1/4 cents per hundredweight for each 15 miles or part thereof in excess of 70 miles from the City Hall in Chicago.

16. Delete Sec. 941.9(a) and substitute therefor the following:

Sec. 941.9 Expense of administration. (a) Payments by handlers. As his pro-rata share of the expense of the administration hereof each handler, except those handlers exempt from the provisions hereof as set forth in Sec. 941.6(a), shall pay to the market administrator, on or before the 15th day after the end of each delivery period, a sum not exceeding 2 cents per hundredweight with respect to all Class I milk and Class II milk purchased or received by him during such delivery period from producers, or produced by him, the exact sum to be determined by the market administrator, subject to review by the Secretary: Provided, That each handler which is a cooperative association shall pay such pro-rata share of expense of administration only on that milk of producers actually received at a plant of such cooperative association, or caused to be delivered by such cooperative association to a plant from which no milk or cream is disposed of in the marketing area.

17. Delete Sec. 941.10 and substitute therefor the following:

Sec. 941.10 Marketing services. (a) Marketing service deduction. In making payments to producers pursuant to Sec. 941.8, each handler, with respect to all milk received from each producer during each delivery period, except as set forth in paragraph (b) of this section, shall deduct 1-1/2 cents per hundredweight, or such lesser amount as the market administrator shall determine to be sufficient, such determination to be subject to review by the Secretary, and shall, on or before the 15th day after the end of such delivery period, pay such deductions to the market administrator. Such moneys shall be expended by the market administrator for verification of weights, samples, and tests of milk received from such producers and in providing for market information to such producers. The market administrator may contract with an association or associations of producers for the furnishing of the whole or any part of such services to, or with respect to the milk received from, such producers.

(b) Marketing service deductions with respect to members of a producers' cooperative association. In the case of producers for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section each handler shall, in lieu of the deductions specified in paragraph (a) of this section, make such deductions from payments made pursuant to Sec. 941.8 as may be authorized by such producers, and pay over on or before the 15th day after the end of each delivery period such deductions to the associations rendering such service of which such producers are members.



UNITED STATES DEPARTMENT OF AGRICULTURE  
DIVISION OF MARKETING AND MARKETING AGREEMENTS  
WASHINGTON, D. C.

NOTICE OF HEARING WITH RESPECT TO A  
PROPOSAL TO AMEND THE TENTATIVELY  
APPROVED MARKETING AGREEMENT AND  
ORDER NO. 41 REGULATING THE HANDLING  
OF MILK IN THE CHICAGO, ILLINOIS,  
MARKETING AREA.

WHEREAS, pursuant to the authority conferred upon the Secretary of Agriculture under Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, the Secretary issued an order regulating the handling of milk in the Chicago, Illinois, marketing area, effective September 1, 1939; and

WHEREAS, the Secretary on August 18, 1939, tentatively approved a marketing agreement regulating the handling of milk in the said area; and

WHEREAS, various interested parties have proposed certain amendments to said order and to said tentatively approved marketing agreement; and

WHEREAS, the Secretary has reason to believe that amendments to said order and to said tentatively approved marketing agreement will tend to effectuate the declared policy of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937; and

WHEREAS, under the aforesaid act notice of hearing is required in connection with a proposal to amend an order, and the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for notice of and opportunity for hearing upon amendments to marketing agreements and orders:

NOW, THEREFORE, pursuant to said act and general regulations, notice is hereby given of a hearing to be held on said proposed amendments to the order and the tentatively approved marketing agreement regulating the handling of milk in the Chicago, Illinois, marketing area, at the Stevens Hotel, Chicago, Illinois, at 10:00 a.m., c.s.t., March 20, 1940.

This public hearing is for the purpose of receiving evidence



as to the necessity for (1) redefining the terms "marketing area", "producer" and "handler"; (2) amending Sec. 941.3 relating to reports of handlers; (3) revising the classes of utilization; (4) revising the minimum prices; (5) adding a provision to provide for sales in excess of receipts of milk from producers; (6) revising the method and time of paying producers and providing for adjustment of errors in such payments; (7) revising the butterfat differential, and (8) providing for location adjustments to handlers.

Copies of the proposed amendments prepared as a basis for the public hearing may be procured from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, in Room 0310 South Building, Washington, D. C., or may be there inspected.

/s/ H. A. Wallace  
Secretary of Agriculture

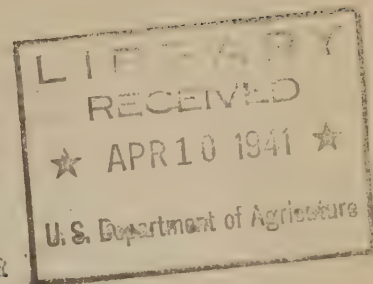
Dated: March 14, 1940

Washington, D. C.

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Docket No. AO 101-A 2

UNITED STATES DEPARTMENT OF AGRICULTURE  
SURPLUS MARKETING ADMINISTRATION  
DAIRY DIVISION



NOTICE OF HEARING WITH RESPECT TO A PRO-  
POSAL TO AMEND THE TENTATIVELY APPROVED  
MARKETING AGREEMENT, AS AMENDED, AND ORDER  
NO. 41, AS AMENDED, REGULATING THE HANDLING  
OF MILK IN THE CHICAGO, ILLINOIS, MARKETING  
AREA, INCLUDING AMENDMENTS TO THE MARKETING  
AREA TO INCLUDE NUMEROUS TOWNSHIPS IN DU  
PAGE AND COOK COUNTIES, ILLINOIS, AND IN  
LAKE COUNTY, INDIANA, AND THE TOWN OF AURORA,  
ILLINOIS.

Notice is hereby given of a hearing to be held in the Stevens Hotel, Chicago, Illinois, beginning at 10:00 a.m., c.s.t., April 9, 1941, on proposed amendments to the tentatively approved marketing agreement, as amended, and to Order No. 41, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area.

This notice is given pursuant to the provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and of the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture.

Proposed amendments have been submitted by The Pure Milk Association, by the Associated Milk Dealers, Inc., by the Ice Cream Manufacturers Association of Cook County, by the Harding Hotel Company, and by Hays Dairy Products and this public hearing is for the purpose of receiving evidence with respect to such proposed amendments (1) redefining the marketing area to include numerous townships in Du Page and Cook Counties, Illinois, and in Lake County, Indiana, and the Town of Aurora, Illinois; (2) changing the definition of producer to include a definition of "new producer"; (3) redefining the classes of utilization, particularly with reference to bulk milk sold to bakeries, soup companies, candy manufacturers, hotels, restaurants, and retail food establishments; (4) providing for a Class II-A to include milk disposed of as ice cream, ice cream mix, and frozen cream, and providing for the pricing of Class II-A at a seasonally adjusted premium over the evaporated milk price; (5) increasing the price of Class I milk disposed of to low-income and relief persons from \$1.63 to \$1.75 per hundredweight; (6) providing that the price of Class I milk disposed of outside the marketing area shall not be less than the Class II price, and that the

price of Class I milk sold to United States Government training camps outside the marketing area shall be the same as for Class I milk disposed of within the marketing area; (7) providing for payment by handlers for "overrun"; (8) revising the method of computing the uniform price; (9) revising the time and method of payment to provide for payments to new producers; and (10) substituting for the present price formula for Class IV milk a formula based upon prices of skim milk powder for human food.

Notice of a hearing has been issued on a proposed marketing agreement and a proposed order regulating the handling of milk in the Cook-Du Page Counties, Illinois, marketing area, which marketing area includes much of the same territory as is incorporated in the proposed amendment redefining the Chicago, Illinois, marketing area. The hearing on the proposed marketing agreement and order regulating the handling of milk in the Cook-Du Page Counties, Illinois, marketing area will be held at the same time and place as the hearing on the proposed amendments set forth in this notice of hearing.

Copies of the proposed amendments may be obtained from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, Washington, D. C., in Room 0310 South Building, or may be there inspected.

/s/ Paul H. Appleby  
Under Secretary of Agriculture

Dated: March 31, 1941

Washington, D. C.



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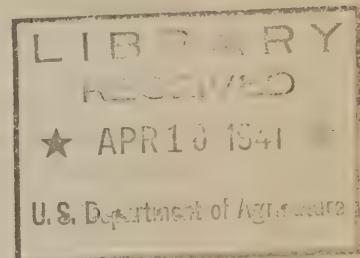
Docket No. AO 101-A2

Notice of hearing signed by  
the Under Secretary of  
Agriculture, March 31, 1941.

UNITED STATES DEPARTMENT OF AGRICULTURE

SURPLUS MARKETING ADMINISTRATION

Washington, D. C.



PROPOSED AMENDMENT TO ORDER NO. 41, AS AMENDED,  
AND TO THE TENTATIVELY APPROVED MARKETING AGREE-  
MENT, AS AMENDED, REGULATING THE HANDLING OF MILK  
IN THE CHICAGO, ILLINOIS, MARKETING AREA, UPON  
WHICH THE SECRETARY OF AGRICULTURE HAS ISSUED  
NOTICE OF HEARING UNDER THE AGRICULTURAL MARKET-  
ING AGREEMENT ACT OF 1937

The Pure Milk Association, Inc., The Ice Cream Manufacturers' Association of Cook County, the Associated Milk Dealers, Inc., and the Harding Hotel Company have presented the Secretary with petitions for a public hearing on certain proposed amendments to Order No. 41, as amended, and to the tentatively approved marketing agreement, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area. The proposed amendments suggested by such producers' association are set forth below.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture, after due notice of and opportunity for hearing, to amend marketing agreements and orders applicable to processors, producers, associations of producers, and others engaged in the handling of milk and its products in the current of interstate or foreign commerce. This act also authorizes the Secretary of Agriculture to issue orders complementary to orders of the States, to cooperate fully with the States in their programs to regulate the handling of milk, and authorizes the Secretary of Agriculture to call hearings whenever he has reason to believe that the amendment of an order will tend to effectuate the declared policy of this act. In simple terms, as applied to milk, the declared policy of the act is to establish and maintain such orderly marketing conditions for milk in interstate commerce as will establish prices for milk at a level which will give that milk a purchasing power with respect to articles that farmers buy equivalent to its purchasing power in a prescribed base period, after taking into account the available supplies of feed, the prices of feed, and other economic conditions affecting the demand for and the supply of milk.



In response to the petition received, the Secretary of Agriculture has issued notice of a public hearing to be held at the Stevens Hotel at Chicago, Illinois, on April 9, 1941, at 10 a.m., c. s. t.

At the above time and place opportunity will be given for interested parties to present evidence relative to each and every amendment proposal set forth below. It is suggested that each interested party who so desires carefully present all facts which he feels the Secretary of Agriculture should have in the record of the public hearing upon which to base a decision, (1) as to whether or not the order should be amended, and (2) if the order is to be amended, what amendments should be made. The best interests of a proponent, or of an opponent, of the proposals will best be served by concise presentation of the relevant facts in his possession, reserving his arguments for filing in written form at the close of the hearing session.

If upon the facts in the record the Secretary of Agriculture decides that he should amend the order, the content of the amendment, based upon the facts in the record, will then be made known to producers and their approval or disapproval determined as to whether the amendment shall become effective. The content of the amendment would be the same as that incorporated in an amended marketing agreement which handlers would be given opportunity to sign.

The publication of the proposed amendments in this form is for the convenience of interested parties and is not to be considered as in any way signifying their approval or disapproval by the Secretary of Agriculture.

Amendment Proposed by the Associated Milk Dealers, Inc.

1. Delete Section 941.4(a)(1) and insert in place thereof the following:

(1) The term "Chicago, Illinois, marketing area," hereinafter called the "marketing area," means the territory lying within the corporate limits of the cities of Chicago and Evanston, and the territory within Ross, St. John, Hobart, Calumet, and North Township in Lake County, Indiana, in the State of Indiana, and Thornton, Bloom, Rich, Bremen, Worth, Calumet, Palos, Lement, Stickney, Lyons, Cicero, Berwyn, Riverside, Proviso, River Forest, Leyden, Norwood Park, Maine, Elk Grove, Wheeling, Niles, New Trier, and Northfield Townships, in Cook County, Illinois, and the territory within West Deerfield, Deerfield, Shields, and Waukegan Townships in Lake County, Illinois, and the territory within Downers Grove, York, Milton, and Addison Townships, in DuPage County, Illinois, in the State of Illinois.



Amendments Proposed by Pure Milk Association

1. Delete Sec. 941.1(a)(4) and insert in place thereof the following:

(4) The term "producer" means any person who produces milk which is received by a handler at an approved plant, or who produces milk which, upon proof furnished satisfactory to the market administrator, is qualified to be received at such approved plant: Provided, That if such producer for a period of thirty (30) days preceding the effective date hereof has not delivered milk to a handler, or upon proof furnished satisfactory to the market administrator was not qualified to deliver to an approved plant for a period beginning with the date of his first regular delivery of milk, and including the first two full calendar months following the date of such first delivery, such producer shall be known as a new producer.

2. Delete Sec. 941.4(b) and insert in place thereof the following:

(b) Classes of utilization. Subject to the conditions set forth in paragraph (a) of this section, the classes of utilization of milk shall be as follows:

(1) Class I milk shall be all milk disposed of in the form of fluid milk, excluding bulk milk disposed of to bakeries, soup companies, and candy manufacturing establishments, but including bulk milk disposed of to hotels, restaurants, and other retail food establishments, and all milk not accounted for as Class II milk, Class III milk, or Class IV milk.

(2) Class II milk shall be all milk, except skim milk, disposed of in the form of flavored milk and flavored milk drinks, and all milk, the butterfat from which is disposed of in the form of sweet or sour cream, cottage cheese, buttermilk, frozen cream, ice cream, and ice cream mix.

(3) Class III milk shall be all milk the butterfat from which is used to produce a milk product other than one of those specified in Class II and Class IV, and all milk disposed of to bakeries, soup companies, and candy manufacturing establishments.

(4) Class IV milk shall be all milk the butterfat from which is used to produce butter and cheese, except cottage cheese, and all milk accounted for as actual plant shrinkage: Provided, That such



plant shrinkage shall not exceed 2 percent of the total receipt of milk from producers. Any handler whose report claimed the original classification of milk in this class shall be liable under the provisions of Sec. 941.8(g) for the difference between the Class IV and Class II prices for the delivery period in which the Class IV classification was claimed on any such milk if the butterfat used in the production of butter is subsequently used in the production of ice cream or ice cream mix.

3. Delete Sec. 941.5(a)(2) and insert in place thereof the following:

(2) Class I milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content computed pursuant to the formula set forth in section I of article VI of the marketing agreement for evaporated milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any, 70 cents per hundredweight for the months of July, August, September, October, and November; 55 cents per hundredweight for the months of December, January, February, March, and April; and 45 cents per hundredweight for the months of May and June: Provided, That with respect to Class I milk disposed of under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief, the price shall be \$1.75 per hundredweight.

4. Delete Sec. 941.5(d) and insert in place thereof the following:

(d) Sales outside the marketing area. (1) The price to be paid by a handler for Class I milk disposed of outside the marketing area, excluding sales to Government Training Camps, in lieu of the price otherwise applicable pursuant to this section, shall be the price, as ascertained by the market administrator, which is being paid for milk of equivalent uses in the market where such milk is disposed of: Provided, That in the event such Class I milk is disposed of outside the 70-mile zone, such Class I price as ascertained by the market administrator shall be subject to a reasonable adjustment for transportation from the shipping point for the plant where such milk is received from producers to the railroad delivery point serving the market where such milk is utilized as Class I milk: Provided further, That such Class I price as ascertained by the market administrator, less the adjustment for transportation, shall not be lower than the Class II price set forth in Sec. 941.5(a)(3), plus 15 cents per hundredweight.



(2) The price to be paid by a handler for Class I milk disposed of to Government Training Camps shall be the price set forth in Sec. 941.5(a) (2) applicable to Class I milk disposed of by handlers within the marketing area.

5. Add to Sec. 941.6 the following paragraph:

(d) Overrun. In the event the amount of milk utilized by a handler is in excess of the amount of milk received from producers, as shown by a handler's report and verified by the market administrator, the difference in the value of milk resulting therefrom, after allowing for errors up to one-eighth of one percent ( $\frac{1}{8}\%$ ) of total receipts, shall be paid by such handler to the producer-settlement fund.

6. Delete Sec. 941.7(b) and insert in place thereof the following:

(b) Computation of the uniform price. The market administrator shall compute the uniform price per hundredweight of milk for each delivery period in the following manner:

(1) Combine into one total the net pool obligations of all handlers, computed pursuant to paragraph (a) of this section, who made the reports pursuant to Sec. 941.3(a)(2) for such delivery period;

(2) Multiply the pounds of milk shipped by new producers by the price of milk in the lowest use classification - deduct the pounds of milk shipped by new producers and the value thereof;

(3) Add the amount of the location differentials applicable pursuant to Sec. 941.8(b);

(4) Add the amount of cash balance in the producer-settlement fund;

(5) Divide the result by the total quantity of net pooled milk, less milk shipped by new producers of all handlers whose reports are included in this computation; and

(6) Subtract not less than 4 cents nor more than 5 cents to provide against the contingency of errors in reports and payments or delinquencies in payments by handlers. The result shall be known



as the uniform price for milk containing 3.5 percent butterfat received from producers at plants located within the 70-mile zone.

7. Delete Sec. 941.8(a) and insert in place thereof the following:

(a) Time and method of payment. (1) On or before the 18th day after the end of each delivery period, each handler shall pay each producer for milk purchased or received during the delivery period, an amount of money representing not less than the total value of such milk, at the uniform price per hundredweight, computed pursuant to Sec. 941.7(b) subject to the location adjustments and butterfat differential set forth in this section.

(2) On or before the 18th day after the end of each delivery period, each handler shall pay each new producer for milk purchased or received during the delivery period, an amount of money representing not less than the total value of such milk, at the price for the lowest use classification hereunder, subject to the butterfat differential set forth in this section.

Amendments Proposed by the Ice Cream Manufacturers' Association  
of Cook County

1. Delete Sec. 941.4(b)(1) and insert in place thereof the following:

(1) Class I milk shall be all milk disposed of in the form of fluid milk, except such milk as is used for purposes for which no approval by health authorities in the marketing area is necessary, and all milk not accounted for as Class II milk, Class II-A milk, Class III milk, or Class IV milk.

2. In Sec. 941.4(b)(2) delete the last eight words, namely, "frozen cream, ice cream, and ice cream mix."

3. Add as Sec. 941.4(b)(3) the following:

"(3) Class II-A milk shall be all milk the butterfat of which is disposed of in the form of ice cream, ice cream mix, and frozen cream."

Renumber the following subparagraphs accordingly.

4. Add as Sec. 941.5(a)(3) the following:

"(3) Class II-A milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content computed pursuant to the formula